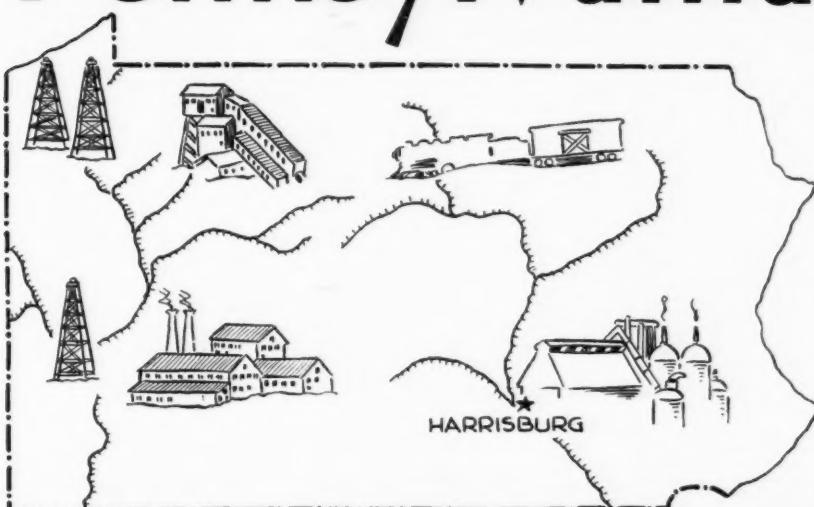


# The NATIONAL UNDERWRITER

■ A SALUTE TO THE STATE OF

## Pennsylvania



Pennsylvania has 45,126 square miles ..... 1.49% of the U. S.  
Pennsylvania has 9,631,350 population ..... 7.85% of the U. S.  
Pennsylvania has 14,774 industrial plants ..... 8.00% of the U. S.

Pennsylvania is known principally for its basic industries. Producing nearly half the steel of the country and almost \$200,000,000 worth of petroleum, this State ranks fifth in the value of its exports. Philadelphia, capital of the United States from 1790 to 1800; Pittsburgh, the center of the greatest metal production ever attained in one locality; Scranton, the nation's hard coal center—combine to give Pennsylvania an estimated wealth of \$32,757,000,000. Its educational facilities rank high and have reduced illiteracy to the low figure of 3.1%.

*Pennsylvania insures with stock fire insurance companies  
\$5,102,608,462 of its property values and pays annually  
\$35,134,891—7.6% of the fire premiums of the United States.*

### American Equitable Assurance Company of New York

Organized 1918 Capital, \$1,000,000.00

Globe & Republic Insurance Company of America  
Philadelphia, Pa. Capital, \$1,000,000.00

Knickerbocker Insurance Company of New York  
Organized 1913 Capital, \$1,000,000.00

92 William Street

### Merchants and Manufacturers Fire Insurance Company

Newark, N. J. Chartered 1849  
Capital, \$1,000,000.00

New York Fire Insurance Company  
Incorporated 1832 Capital, \$1,000,000.00

Sussex Fire Insurance Company  
Newark, N. J. Capital, \$1,000,000.00  
Organized 1928

**Corroon & Reynolds**  
Incorporated  
MANAGER

New York

*One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.*

THURSDAY, JANUARY 16, 1936



• • MAKE IT A  
RULE TO THINK  
FIRST OF THE  
ÆTNA • • •



UR organization is particularly

well equipped to deal with any special situations that may arise in satisfying the insurance requirements of clients whose business does not fit into the ordinary grooves.

Whatever the nature or requirements of a risk, we wish to assure agents and brokers that they will find our underwriters receptive and ready to cooperate in an effort to find a way to solve their underwriting problems.

## THE ÆTNA FIRE GROUP - HARTFORD, CONN.

NEW YORK

CHICAGO

SAN FRANCISCO

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ÆTNA INSURANCE COMPANY - THE WORLD FIRE AND MARINE INSURANCE COMPANY  
THE CENTURY INDEMNITY COMPANY - PIEDMONT FIRE INSURANCE COMPANY

# The National Underwriter

WEEKLY NEWSPAPER OF INSURANCE

Fortieth Year—No. 3

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 16, 1936

\$4.00 Per Year, 20 Cents a Copy

## Expect Fire Loss to Rise This Year

Rate Reductions in Many Sections Due to Recent Record Cause Concern

## BUSINESS OF AVERAGE

Expect Companies to Be Driven to Push for Larger Premium Volume in 1936

NEW YORK, Jan. 15.—If fire companies enjoyed prosperity last year to an unusual degree, thanks to the combination of reduced losses and appreciation in market value of securities, company officials realize that when 1936 closes a different story may be told.

A glance at the National Board tabulation shows that while fire losses in the first 11 months of 1935 (December figures were not available at the time of this writing) were less by over \$20,500,000 than for the corresponding period of 1934, gains were practically all made in the first half year. Loss in September, October and November was greater than for the same periods of 1934.

### Increase in December

While the December returns will not be made public for a day or two, the general understanding is that since Dec. 1 an unusual number of large fires (though none of conflagration proportions) have occurred, and these, it is predicted, will swell the loss record of the month far beyond that for December, 1934. Experience of the last four months would indicate that the three-year period of relatively low losses is about at an end, and steady increase in number and severity of fires may be expected.

Fire insurance is essentially a business of average. While it has not attained the status of an exact science, as has life insurance, and probably never will, yet it moves in cycles.

### May Profit From Experience

The prosperity the companies have enjoyed since 1932 may prove not an unmixed blessing, if company officials recognize the signs of the times and are governed accordingly. While it is fundamental that rate changes be predicated on five years' experience, because of the low losses of 1933-5, commissioners of some states have declared in favor of rate reductions. Fearing that to exercise their powers might bring orders from some state officials to make flat percentage reductions, rating bodies in many jurisdictions have been actively revising rates downward on a number of classes, a process that continues. Revisions by bureaus, of course, are carefully done by men who understand their business and appreciate the danger of flat percentage reductions.

In a survey of rate revisions during

(CONTINUED ON PAGE 13)

## View Truck Pool Idea in Light of Aircraft System

NEW YORK, Jan. 15.—Recent discussions of a pool to handle all-risk covers on long distance trucking lend interest and timeliness to a memorandum prepared for members of the United States Aircraft Insurance Group by D. C. Beebe, president United States Aviation Underwriters, underwriting managers of the USAIG.

The group plan of operation was selected following a survey in 1927 and nothing has developed, Mr. Beebe states, to indicate that aviation insurance "with its limited spread and excessive catastrophe hazard can be dealt with more successfully in any other manner."

Policies are issued in the name of member fire or casualty company which the agent or assured may select. Every member of each section (fire or casualty) agrees to assume a specified percentage of all risks insured by any member of such section. If any member defaults, the other members of that section agree to assume the portion of the risk held by such defaulting member.

### Facilities for Agents

Mr. Beebe points out the plan brings to each member a small share in the large spread developed through the combined agency and brokerage channels of all members; distributes the large catastrophe hazard inherent in air risks in a manner not presently possible through outside reinsurance; effects economies in operation through maintenance of one centralized aviation department; permits purchase of necessary outside reinsurance on a wholesale basis; alone can produce a volume of aviation business sufficient to justify the expense of a specialized underwriting staff, the accumulation and analysis of detailed statistics, comprehensive investigations and surveys, and educational and loss prevention work.

It brings to agents of each member

## December Fourth Month to Show Loss Increase

NEW YORK, Jan. 15.—Fire loss went up 34 percent in December over the November total, the tabulation of country-wide figures by the National Board shows. The December loss was \$27,969,288, which was a 17 percent increase over December, 1934. Total fire loss in 1935, the National Board reported, was \$259,159,945. Comparative figures for 1933, 1934 and 1935 by months are:

	1933	1934	1935
Jan.	\$35,547,565	\$28,002,583	\$23,430,504
Feb.	36,661,481	31,443,484	25,081,025
March	35,321,248	31,312,359	24,942,703
April	27,825,970	22,028,943	23,267,929
May	24,338,714	25,271,458	21,238,205
June	21,578,609	20,005,692	18,499,675
July	20,004,049	19,484,027	19,293,619
Aug.	23,626,508	19,613,145	18,137,060
Sept.	20,447,571	16,243,870	16,641,882
Oct.	21,465,382	18,236,272	19,785,871
Nov.	22,454,200	20,114,346	20,871,584
Dec.	27,626,439	23,895,879	27,969,288
Tot.	\$316,897,733	\$275,652,060	\$259,159,945

## Farm Men Watch Signs in the Sky

Interested in Steps Government May Take After Supreme Court Decision

## PARKS NOW PRESIDENT

Some of the Chief Accomplishments of the Underwriters Association During the Year

At the annual meeting of the Farm Underwriters Association, Chester E. Parks, farm department manager of the National Fire of Hartford was elected president, he serving as vice-president during the year. W. H. Lininger of Harding & Lininger, western managers of the Springfield Fire & Marine was elected vice-president. E. H. Born of the Western Underwriters Association, was reelected secretary and treasurer. The retiring president is Frank H. Cornell, farm manager of the Home.

### Effect of Supreme Court Decision

While there was no formal discussion on United States Supreme Court decision holding the AAA unconstitutional, yet in the meeting there was considerable comment, farm men realizing that the withdrawal of cash paid to farmers under the federal act was a blow to them and the psychological effect would be felt. Most of them agreed, however, that the resourceful federal government would bring out some substitute that would overcome the Supreme Court decision and to an extent at least would satisfy the agriculturalists.

### Effect on Loans Made

If no program is formulated then the farm underwriters see trouble ahead. For instance, federal loans made on corn and other grain were based on the farmers signing up on the restricted production. That is, the CCC was tied up with the AAA. With the AAA out the CCC foundations would be removed. Therefore, dire results might accrue when the farmers got no further relief or backing and felt that they were being discriminated against in favor of commerce and industry. A distinct moral hazard would be developed.

The Farm Underwriters Association legitimized the loaning program of the CCC and of the Farm Credit Administration during the year. So far as the CCC was concerned it loaned 45 cents a bushel on corn regardless of the market value and the Farm Underwriters Association harmonized its program with that. So far as the FCA was concerned, it loaned on corn, grain and other seeds at 60 percent of the market value. The Farm Underwriters Association fixed its underwriting rules on that basis.

In Oklahoma, the farm companies (CONTINUED ON PAGE 13)

## New England Exchange Head Opposes Fire Rate Change

### ELECT SANDISON PRESIDENT

### Declares Two Years Not Sufficient Time to Offset Previous Period of High Losses

BOSTON, Jan. 15.—The decreased loss ratio of the past three years and the possibility of change in the existing rate levels, coming as they did immediately after a public statement of the Massachusetts insurance commissioner that he was about to ask for lower rates in view of the lowered loss ratio, constituted the outstanding feature of interest in the report of President Ralph G. Hinkley of the New England Insurance Exchange at the annual meeting here.

James L. Sandison, Boston, Royal special agent, was elected president. Other officers elected are: second vice-president, Walter J. Helm, Boston, Springfield Fire & Marine; executive committee; F. W. Andrews, Boston, Hartford Fire; J. M. Cosgrove, Hartford, National Liberty Fire; G. F. McGarland, Portland, Fire Association of Philadelphia; C. E. Hurst, Boston, Connecticut Fire, the latter being elected chairman of the executive committee.

President Hinkley stated he had pointed out a year ago that rates as a whole should not then be reduced because two years was not a sufficiently long period to offset previous years of high losses.

#### Loss Experience

"Presumably 1935 will show about as low a loss experience as 1934," he said. "Taking, however, the premiums and losses for stock companies for three states under the jurisdiction of the Exchange, namely Maine, Vermont and Massachusetts, for the past four years, 1931 to 1934 inclusive and assuming that the experience for 1935 is as favorable as 1934, the loss experience for Maine would be 56.9 percent; for Vermont, 52.2 percent and for Massachusetts 58.4 percent. Rhode Island is somewhat better and Connecticut, as usual, has been good.

"Regardless of the cause of the marked reduction in fires, there is no guarantee as to its continuance, in fact, the last three months of 1935 showed a slight upward trend which may or may not be significant of a return to the average of former years," continued the president. "Many underwriters, therefore, are expecting at an early date an upturn in the burning ratio, believing that these abnormal conditions are simply a repetition of past cycles."

#### Opposes Rate Decrease

"In the face of these facts," said President Hinkley, "we should be slow in changing our existing rate levels, as several classes even under present conditions are distinctly unprofitable. It is possible that the rates on certain classes with a good to excellent experience should be lowered, but any such changes should be made only after very careful and mature deliberation. Even then it should be done by flat percentage reductions on those classes which statistics show are entitled to lower rates so far as the policyholder is concerned. Any such concessions being for the duration of present burning ratios, the general public should be so advised in order that there may be a consequent proper understanding on its part if at some later period such reductions have to be rescinded by reason of larger loss totals."

Mr. Hinkley reported the exchange has 273 active and 202 honorary members, six members having died.

Secretary Ralph Sweetland reported on exchange activities. The number of employees has increased by 23 due to the merger of the Fire Insurance Stamping

(CONTINUED ON PAGE 10)

## Ohio Defeat of Allstate Companies Draws Interest

Suits instituted by the Allstate and Allstate Fire, Sears, Roebuck & Co. companies, to compel the Ohio department to renew licenses of Ohio representatives, which was decided adversely to the companies by the Ohio supreme court a few days ago, has attracted wide attention among insurance men.

The companies were licensed in Ohio May 2, 1932. They charged the department, without notice, refused June 21, 1935, to renew their licenses for the period commencing March 1, 1935. They alleged their method of operating in Ohio was not contrary to law and the superintendent's construction of the law violated the 14th amendment to the constitution.

#### Department's Charges

The superintendent charged the companies solicited and placed insurance on Ohio property otherwise than through legally authorized agents; failed to create an agency organization, as, it is alleged, they promised a former superintendent they would do; and that advertising was misleading, tending to create an impression the assets of Sears, Roebuck could be held to satisfy claims.

Among questions raised were: Does the law prohibit a foreign company authorized to operate in the state and having licensed agents, from receiving by mail at the home office applications for insurance on Ohio property directly from customers?

#### Among Questions Raised

Does the law mean that a licensed foreign company may not itself procure by mail from persons in Ohio or elsewhere applications for insurance on property in Ohio, prepare the policies and transmit them to an Ohio agent to be countersigned and delivered? Is not the construction given the law by the department that a licensed foreign insurance company may not of itself procure applications for insurance on Ohio property by mail, but only by personal solicitation by Ohio agents, repugnant to the 14th amendment as arbitrarily discriminating against licensed foreign insurance corporations?

At the time of filing the suits and for some time prior, the companies maintained a Cleveland office in charge of licensed agents until March 31, 1935. Two employees of Sears, Roebuck had been licensed by the department, the second one July 13, 1932, after the companies had been advised by the de-

(CONTINUED ON PAGE 10)

## Ohio Committee Advocates Local Control on Coverage

### SCHOOLS INSURANCE REPORT

### Attitude of Group of Interest in Other States Where Question Is Under Consideration

The attitude of the schools committee of the Ohio house of representatives toward fire insurance on public school buildings and personal property and public liability insurance on school buses, upon which the committee reported adversely, will be of interest to all insurance men, especially in those states in which the same question is up for consideration. In a report prepared by Secretary R. J. Kiefer of the committee, retired superintendent of schools, which has just been adopted by the committee, it is the belief that when the new school foundation program was adopted it was intended to give the schools the largest measure of local control possible and this should include not only local upkeep but guarantees against loss by fire, windstorms, etc.

The committee report says: "Unless a hardship were worked on those districts having a high percentage of completely fireproofed buildings with adequate protection to the advantage of other sections where risk is greater due to character of structures and inadequate protection, there should of necessity be a graduated contribution to the fund in proportion to the risk involved. To pay all losses indiscriminately from a general fund would lead to serious objection and inevitable contention."

#### Rating Bureau Necessary

The committee says that if the state fund were set up it would also be necessary to provide a rating bureau, the report saying: "The least that could be expected in the way of a satisfactory set-up would be a division head with clerks, stenographers and several field agents. This would provide the nucleus for a bureau that would look to its own perpetuation and be open to all the objection and criticism generally aimed at bureaucracy." The committee asserted that there did not really appear to be "the wide discrepancy between premiums collected and losses paid as given in the statement of the Sherrill committee on this subject."

The schools committee also referred (CONTINUED ON PAGE 10)

## New Illinois License Law Goes Into Effect July 1

### PROVISIONS ARE SET FORTH

### New Measure Offers Control of Producers Which Has Been Lacking Since Old Law Was Invalidated

Now that the agents, brokers and solicitors license bill passed the Illinois legislature, it will go into effect July 1 as there was no emergency clause attached to the bill. It is very fortunate that this measure had passed, because if it had not the license situation in the state would have been the same as it was prior to the 1933 legislature which passed a license bill. All comers were licensed. There was no law in Illinois requiring the licensing of brokers or solicitors. There was no standard whatever set. The 1933 measure had the sanction of the National Board. All hands set to work and had it passed.

The court at Springfield declared it was unconstitutional because it did not provide notice that the department intended to take action on an applicant nor did it give a hearing. Therefore in the new bill the features brought out by the Illinois court were given cognizance and the present law meets the requirements. Much credit belongs to the Illinois Association of Insurance Agents, the Illinois Brokers Association, the Chicago Board and the Chicago Insurance Agents Association as well as other bodies that were concerned with the measure for getting back of it.

#### Examinations Are Mandatory

Mandatory examinations of all new applicants for licenses in the production end of the life, accident, health, casualty, surety, fidelity, fire and marine field are required. This covers company service representatives inspecting and servicing risks, including engineers. The director of insurance may stipulate whether examinations are to be written or oral and they must be held at least four times yearly. All licenses will expire March 1 as in the past. No license will be granted unless the applicant is "active" in insurance, writing more premiums than in the year preceding application on property and risks of others than on his own or that of his employer, or both. The status of a broker is defined as a representative of the assured, and all premiums collected by insurance producers, except commission, are classed as trust funds, the fiduciary character of the salesman being established. No broker can place business except through a licensed agent of Illinois, there being a fine ranging from \$50 to \$1,000 for violation.

An important section in the law requires that the director must give 10 days' written notice of action against applicant or licensee, setting forth the subject and specific charges, the hearings to be held either in Springfield or in the county where the person involved is located. The right of review is established, this to be in the circuit court of Sangamon county or superior or circuit court of the place of residence of the person involved.

#### Licensed Fees Are Given

The license fees are: Agents—domestic, \$1; foreign, \$2; a temporary license for 90 days pending examination being obtainable without fee; brokers—non-resident, \$10; resident, \$5 except in cities of 500,000 population or over, such as Chicago, where the fee is \$10; solicitors, \$2; company service representatives—resident, \$2; non-resident, \$10. Solicitors can be licensed only to do business for an agent or broker, who must assume full responsibility for their acts. Nine causes for denial, revocation or refusal of renewal of license by the director are set up, including wilful vio-

## THE WEEK IN INSURANCE

C. E. Parks, farm department manager of the National Fire of Hartford in its western office, was chosen president of the **Farm Underwriters' Association** and W. H. Lininger of Springfield, vice-president.

Fire prevention activity on part of the **Chicago Association of Commerce**. Page 12

\* \* \*

New standard auto liability policy to be adopted by most companies. Page 33

\* \* \*

New York Club program reveals revived interest in accident field. Page 31

\* \* \*

The meeting of the Personnel Research Federation discussed the **social security law**. Page 31

\* \* \*

Insurance Commissioner **Palmer of Illinois** calls a meeting to discuss whether casualty companies are illegally practicing law in undertaking to defend their assured in court. Page 31

\* \* \*

**Pearl Assurance** is now put on the same basis with other companies in Washington after a long controversy with the insurance commissioner. Page 27

\* \* \*

Insurance angles of large **airplane loss in Arkansas**. Page 31

\* \* \*

Substantial acquisition cost reduction is effected by California casualty acquisition cost conference. Page 32

\* \* \*

**Growth of casualty insurance** in U. S. to present vast proportions is discussed by President H. P. Jackson of Bankers Indemnity. Page 31

(CONTINUED ON PAGE 28)

Stock ownership question ruled on by New York high court in General Reinsurance-North Star case. Page 3

\* \* \*

Expect increase in fire losses this year. Page 1

\* \* \*

Ohio House committee advocates local control on **school insurance** in adverse report. Page 2

\* \* \*

President Hinkley of New England Exchange opposes decrease in **Massachusetts fire rates**. Page 2

\* \* \*

**Harry L. Simpson**, associate manager Pacific Coast department, Great American and Phoenix, slated for president of Fire Underwriters Association of the Pacific at annual meeting Feb. 4-5. Page 3

\* \* \*

Resident agents, companies and representatives in Ohio warned by Superintendent Bowen against employing indications in handling insurance through brokerage departments for non-resident agents and brokers. Page 18

## Stock Ownership Question Decided

**Companies Cannot Have Shares Above 50 Percent of Holding Company's Surplus**

### ACQUIRED FUND AS A GIFT

**New York Court Upholds Insurance Department in General Reinsurance —North Star Case**

Insurance companies cannot own stock in other companies, no matter how acquired, above 50 percent of the surplus of the owning company, according to the decision of the New York court of appeals in a question involving the General Reinsurance and the North Star. When the legislature established the rule, the court said, "we may be reasonably certain it did not intend that the surplus of any company should, by gift or otherwise, be built up in disregard of the limitation."

The General Alliance Corporation was a holding company which owned the stock of the General Reinsurance and the North Star, except directors' qualifying shares. In 1932, in order to strengthen the surplus of the General Reinsurance, the holding company made a gift to the General Reinsurance of all the stock of the North Star. In an examination, the New York department classified as nonadmitted assets that part of the value of the stock of the North Star which exceeded 50 percent of the surplus of the General Reinsurance. The General Reinsurance took the matter to court, and won. The court of appeals, which is the final authority, sustains the insurance department.

#### Received as Gift

The dispute hung upon an interpretation of Sec. 16, subdivision 4 of the insurance law, which provides, among other things, that "no such funds of any domestic insurance corporation shall be invested in . . . stock of any insurance corporation . . . except . . . a stock insurance corporation other than life may invest not more than 50 percent of its surplus funds directly in the stock of other insurance corporations." The point of the dispute was that General Reinsurance had not "invested" its money in the stock of the North Star, but had received the North Star shares as a gift, and therefore it contended the prohibition in the statute did not apply.

The court of appeals declined to accept that interpretation. It said the literal language of the statute, construed in the light of its statutory setting, permits no such interpretation as that contended for. "Construed in the light of its obvious purpose and of its underlying policies that interpretation becomes impossible and noxious," said the court.

#### Analysis of the Law

Analyzing sec. 16 the court said: "One notes at the outset that the section deals affirmatively with the investment of the minimum capital required by law, and then with the residue of the capital and the surplus moneys and funds. Into one or the other of these categories would seem to fall all the assets of a corporation, leaving no room for a tertium quid in the shape of a gift. . . . If they are all inclusive, as we think, then the gift when given is included and is subject both to the prohibition and to the exception of subdivision 4. The gift was no less an investment because it came to the donee

(CONTINUED ON PAGE 28)

### Governor Davey Tells About the Ohio Department

#### HITS PAST ADMINISTRATIONS

**Recites Reforms Accomplished Under His Appointee, Superintendent Bowen, During Radio Address**

COLUMBUS, O., Jan. 16.—Citizens of the state were startled at the radio talk of Gov. M. L. Davey this week in which he referred to the insurance department. He declared that prior to his inauguration, the insurance department was grossly inefficient. The department, he said, was usually headed by a political lawyer who knew little or nothing about insurance. This bureau, therefore, he declared, drifted aimlessly. Proper examinations of companies were not made. Prior to the present administration he said that accurate and dependable information for the benefit of Ohio policyholders had to come from other states. He said that the many good Ohio companies maintained such a splendid record that they practically supervised themselves.

Governor Davey said that he desired to bring about an entirely different department and hence appointed R. L. Bowen, an able and experienced insurance man. The department did not have sufficient examiners and hence an extra appropriation was requested to provide an adequate staff. During the last year he said that an attorney-investigator has been appointed to determine the attitude of companies with reference to prompt payment of just claims. It has established also in cooperation with the federal department of justice a plan to investigate fraudulent claims. The matter of unlicensed companies has been taken in hand. The department is conducting special examinations for all new agents. The superintendent is taking cognizance of charges of misrepresentation and during the year the licenses of seven agents were revoked on this account.

A real estate bureau has been set up to survey appraisals of all mortgage loans and real estate of Ohio companies.

#### Florida Commissionership

Insurance men in Florida are showing much interest in the prospective fight for the office of state treasurer, that official being ex-officio insurance commissioner. So far Commissioner W. V. Knott has two or three probable opponents, with State Senator Wyche Getson of Bushnell definitely announced.

### Ohio Farmers Agents Meet Is Largest in 10 Years

LEROY, O., Jan. 15.—The annual meeting of the Ohio Farmers Agents Association here this week has drawn the largest attendance in the last 10 years.

After hearing the report of Secretary F. E. Kirkpatrick of the agents association, President F. H. Hawley of the company delivered his address at the opening session Tuesday morning. The response was by Morris Taylor of Hamilton, O., president of the agents association. He was followed by John A. Lloyd, secretary of the Ohio Association of Insurance Agents. Then J. C. Hiestand, secretary of the company, conducted a round table on the underwriting of new lines. The banquet address Tuesday evening was given by Strickland Gillilan, professional humorist. The annual meeting of the company itself was held Wednesday morning and the annual meeting dinner was held at noon.

Secretary Hiestand reported surplus of \$1,828,750. Investments in United States government bonds amount to \$1,554,150.

### Simpson Slated to Head the Pacific Association



HARRY L. SIMPSON

Harry L. Simpson, associate manager of the Pacific Coast department of the Great American and Phoenix at San Francisco, has been nominated for president of the Fire Underwriters' Association of the Pacific. The annual meeting will be held in San Francisco Feb. 4-5. Mr. Simpson is now vice-president.

Joy Lichtenstein, Pacific Coast manager of the Hartford Fire and vice-president Hartford Accident, has been nominated for vice-president. Mr. Lichtenstein is also president of the Pacific Board. H. B. Mariner, Pacific Board, secretary-treasurer for a number of years, has been renominated.

#### Executive Committee

Nominees for executive committeemen are: C. L. Barsotti, Fire Association of Philadelphia, present president; Mr. Simpson; Edwin Parrish, vice-president America Fore; William Deans, Selbach & Deans, and T. H. Anderson, retired Pacific Coast manager Liverpool & London & Globe; ex officio: Joy Lichtenstein, H. B. Mariner and E. W. Bonstain, vice-president Pacific National Fire, for chairmanship of the educational committee.

#### Mark 60th Anniversary

Considerable importance and interest attaches to this year's meeting as it will mark the association's 60th anniversary. Organized in 1876 by 29 company managers and adjusters, who were interested in the settlement of the losses sustained when Nevada City was destroyed by fire in 1875, the association has held meetings annually since that time.

This year's banquet plans are in charge of R. R. Robertson, superintendent of agencies London & Lancashire, assisted by Phil Weinmann of the Charles A. Colvin office and Jay C. Wickler, Great American and Phoenix of Hartford groups.

Clarence E. Allan, Northern Assurance, chairman nominating committee with J. M. Mendell, London Assurance, George Townsend, Fireman's Fund, and Henry Martin, Home and Mariner. Constitutional amendments were passed increasing personnel of the executive committee eliminating mandatory requirement for inclusion of past presidents; the annual meeting will be held one day later in the week; eliminating mandatory requirement that the nominating committee shall consist of past presidents and placing no limit on the number of papers to be presented by members at annual meetings are now before members for adoption at the annual meeting in February.

**Boyle O. Rodes**, president of the Fire Underwriters Association of St. Louis, was the author of an article on "Property Insurance—A Business Stabilizer" featured in the St. Louis "Chamber of Commerce News."

## Unemployment Act Being Discussed

**Important Conference Is Called by the Personnel Research Federation**

### INTERESTS ALL BUSINESS

**Consensus of Opinion Reached That It Is Wise for Employers to Cooperate**

NEW YORK, Jan. 15.—At the concluding session of the annual conference of the Personnel Research Federation it was held that whether the social security law be held constitutional or not, the country is committed to the policy of making adequate provision for aged workers, and it is therefore the part of wisdom for employers to cooperate with the federal government and with that of such states as already have or propose adopting similar measures, in order to make them effective.

#### Participated in Discussion

At the session discussion centered about the security act and the unemployment insurance law of this state; those attending the gathering, some 250 in number, representing the great industrial and mercantile institutions of the east. As chairman, Prof. J. D. Brown, Princeton University, and S. A. Lewison of the advisory council on federal social security legislation, directed the discussions, which were participated in at some length by C. P. Cochrane, Eastman Kodak Company; J. W. Myers, Standard Oil Company of New Jersey; G. A. Bowers, director New York state unemployment insurance department; W. R. Williamson, associate actuary Travelers; Royal Parkinson, American Optical Company, and George Guth, Socony Vacuum Oil Company.

#### Security Act in Effect

While the industrial corporation representatives confined their remarks largely to explaining the retirement and insurance programs of their respective organizations, and felt that these were far more liberal and flexible in their terms than the program of the federal government, they yet appreciated that the security act was in effect and must be observed. Majority sentiment favored continuing private programs, modifying them in so far as may be necessary to bring them into harmony with the national law. As one who has made an intensive study of retirement plans from an actuarial standpoint and whose close knowledge of the subject is generally recognized, Mr. Williams outlined the methods available through individual immediate annuities and group annuity contracts offered by life companies for taking up the slack in the federal law, and as affording coverage to employees excluded, because of age, from the provisions of the security act.

#### Look for Amendments

That the federal law contains many shortcomings and should, and in all probability will, be amended by Congress was the general conviction. While there is room for difference of opinion as to the nature of the law, there can be none, it was held, as to the wisdom of complying with it in a most constructive way, and speakers urged that end.

Mr. Bowers stated he had received assurances of support for the New York unemployment insurance law from the great majority of the labor employers, and warned recalcitrants that if through their lack of cooperation the act was

(CONTINUED ON PAGE 11)

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### BROWN AND RIEDER DIRECTORS

L. T. Brown and R. F. Rieder, secretaries of the Maryland, one of the America Fore group, are now directors as well. Both are likewise officials of the Continental, Fidelity-Phenix and other fire companies of the fleet.

### NEW YORK AGENTS TO ELECT

The nominating committee of the Association of Local Agents of the City of New York, which will hold its annual meeting Jan. 21 in the New York Board room, has renominated all officers as follows: A. J. Smith, president; Willard S. Brown, vice-president, and E. Stanley Jarvis, secretary and treasurer. The following committee chairmen have also been appointed: Sidney T. Perrin, executive committee; Robert F. Wright, membership committee, and James J. Hoey, public relations committee.

\* \* \*

### LOCAL AGENTS ARE AROUSED

Much interest has been taken in the practices of life companies in handling their farm and city property that they have taken over under foreclosure so far as fire and windstorm insurance is concerned. Some companies that made a number of farm loans and had to take over the property are carrying their own fire and tornado insurance. One of these large companies, for instance, has kept an account to which is credited the premiums that would have been paid if it carried fire and windstorm insurance and against which is charged all costs resulting from those losses. This company declares it has effected a very material saving, last year the item being \$50,000. In the case of city property, this company has continued

to carry insurance and in the absence of some unusual factor in the case it has placed its insurance through the local agency that handled the business prior to the company acquiring title.

The agents writing fire, casualty and windstorm insurance have criticized life companies that have carried their own insurance, or those that have made a deal with some company whereby all the insurance is carried in that institution, taking the position that the regular soliciting agents in the locality have thus been ignored and deprived of additional income. The question is gaining more and more momentum and there is much feeling displayed.

### Favors Self Regulation Rather Than Legislation

James H. Farrell, in his inaugural address as president of the Underwriters Board of Rochester, N. Y., at the annual meeting, expressed the belief the wisest method to combat unethical practices is by self regulation. This is preferable, he contended, to seeking legislative relief.

Mr. Farrell advocated use of a uniform commission scale. Some agents, he observed, are paid on the E. U. A. scale while others get more.

The new president deplored the fact that only 31 percent of the cars in Rochester are insured. That tends to weaken the case in opposition to advocates of compulsory insurance. He expressed gratification that the previous sharp fluctuations in auto insurance rates are no longer encountered.

Mr. Farrell commented on the low rate level in fire insurance. He said agency expenses cannot be further cur-

tailed without impairing the service.

The insurance of taxicabs, he said, is causing concern, and is developing into a situation that will have to be faced by the organization soon.

The directors have, as their first order of business for the next meeting, the consideration of ways and means to meet the competition caused by the writing of bonds below standard rates.

### Rollins-Burdick Setup Recast After Kirk's Death

Following the death of Raymond Kirk, vice-president Rollins, Burdick, Hunter Company of Chicago, who was killed when the automobile which he was driving in Lincoln Park skidded and hit an electric light pole, Arthur Croxson, secretary and treasurer of the agency, was made vice-president. Herbert J. Lorber, who was formerly a member of the firm and was assistant secretary and treasurer, succeeds Mr. Croxson as secretary and treasurer. Mr. Lorber left the firm a few years ago to go with George F. Nixon, the real estate man, but more recently has been connected with the Rollins-Burdick office as a broker. C. O. Swanson, manager of the casualty department, is made second vice-president. Mr. Kirk represented the agency in the Chicago Board and other local organizations. Mr. Croxson will assume those duties. Mr. Kirk was the underwriter of the office but in addition he controlled some very excellent accounts, his chief one being the Chicago "Tribune."

C. E. Rollins, chairman of the board, who spends his winters at Melbourne, Fla., journeyed to Chicago to attend the funeral and participate in the readjustment following Mr. Kirk's death. T. J. Prindiville, president of the agency who has charge of the New York office, James Brennan, a director in New York, and Thomas Lloyd in the New York office all went to Chicago to be present at the funeral. Among the company officials who attended the obsequies were

### Examination Sub-Group Named by Commissioners

Jess G. Read, secretary of the National Association of Insurance Commissioners, announced appointment of the following members of the sub-committee of the examinations committee to assist Chairman R. E. O'Malley of Missouri: J. C. Blackall, Connecticut; H. R. Earle, Oregon; J. S. Tobin, Tennessee, and Harry J. Mortensen of Wisconsin. The purpose of the sub-committee is to make a study of the examinations situation, in conformity with previous resolutions passed, and report at the June meeting.

President F. A. Hubbard, Globe & Rutgers Fire; Vice-president L. R. Bowden and Secretary R. S. Oellers of the Pacific Fire of New York and Senior Vice-president E. J. Bond, Maryland Casualty. Mr. Kirk's brother, Wallace Kirk, was in Los Angeles on business at the time of the accident and found it impossible to take an airplane back to Chicago owing to weather conditions. Therefore the funeral was delayed on that account until Saturday afternoon.

It was a coincidence that five years to a day that Mr. Kirk met his death, R. H. Hunter, who was a member of the firm, fell dead in the lobby of the New York Central station in Chicago.

Mr. Kirk started as a boy in the old agency of T. L. Maitland & Co., Mr. Rollins being a member of that firm. Later Mr. Rollins and the late Arch O. Burdick joined, forming the firm of Rollins & Burdick and Mr. Kirk started with them as a boy and therefore had grown up with the agency.

### Scoonover in Hospital

E. J. Scoonover, well known throughout Indiana as a general agent, is recuperating from an operation at the Methodist hospital in Indianapolis and is reported as making good headway.



## OUR FIRST AGENT WAS A PREACHER

The first agent appointed by the organizers of the Ohio Farmers Insurance Company when they began business in 1848 was Thomas E. Inman, a minister in LeRoy. A high standard was set by him, and to this Ohio Farmers agents today conform.

Eighty-eight years ago the founders decided to establish an organization that would practice the Golden Rule and they chose Mr. Inman. Not because he was a minister, but because he was trustworthy and imbued with the spirit of justness and fairness.

Agents of the Old Man On The Fence today are expected to serve the Company and their policyholders in the spirit of the Golden Rule.

OHIO FARMERS INSURANCE COMPANY  
LeRoy, Ohio

FIRE

TORNADO

AUTOMOBILE



You can increase your  
premium income by  
selling Jewelry and  
Fur insurance.

PROVED BY THE ACID TEST OF TIME

## The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,

NEW YORK

CHICAGO

SAN FRANCISCO



## of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY  
ERNEST STURM, Chairman of the Board  
BERNARD M. CULVER, President

New York, N.Y.

ATLANTA

DALLAS

MONTREAL

**To Educate Credit Men to Require Customer to Insure**

**COMMITTEE PLANS CAMPAIGN**

Group to Enlist Local Agents Throughout Country to Emphasize Necessity of Requiring Coverage

The supervising committee of the insurance group of the National Association of Credit Men, at the January meeting in Chicago, decided to launch an insurance educational campaign. Its object will be to induce credit men to require their customers to carry insurance. The supervising committee is composed of 16 insurance men with D. C. Campbell, credit manager in the western department of the Fidelity-Phenix, as chairman.

Local agents throughout the country will be enlisted in the campaign to convince credit men that adequate insurance should be demanded of their customers just as building and loan associations demand insurance protection on buildings they finance.

An attempt will be made to convince commercial and mercantile rating agencies that book ratings should reflect the insurance cover as well as the financial setup.

The campaign will undertake to show the credit men that insurance should be regarded as just as necessary an expense on the part of customers as rent, light and heat and that the credit extended is no safer than the underlying insurance protection of the customer's assets.

G. C. Bickle of Grand Rapids, Mich., is active in the organization of an insurance committee of the Grand Rapids Association of Credit Men. Don F. Goss, Michigan state agent for the America Fore, assisted in the preliminary work.

**New President**



CHESTER E. PARKS

C. E. Parks, head of the western farm department of the National Fire of Hartford, who becomes president of the Farm Underwriters Association, has had a long experience in underwriting and has given special attention to farm business.

**A. T. Bailey Is Injured**

A. T. Bailey, Pacific Coast manager of the North British & Mercantile was injured at Lansing, Mich., en route to the New York offices of his company. He suffered a fractured kneecap as a result of a fall. He is now confined in St. Lawrence hospital, Lansing, but expects to leave for home Sunday, canceling his eastern trip.

**WANTED**  
**EXPERIENCED OHIO FIELD REPRESENTATIVE**

An old, well established Non-Conference Casualty Stock Company has an opening for a field representative in Ohio, who has been traveling that state for at least several years and is familiar with Automobile and Casualty lines.

Prefer man 32 to 40 years. Must be an energetic, hard worker, well acquainted with the better class of agents in Ohio and able to control a large volume of desirable business.

Applicants must give in first letter full particulars as to their age, experience, contacts with Ohio agents, previous connections, approximate amount of business they can control, whether employed at present and a brief explanation of their home life.

Position pays straight salary and expenses. Splendid opportunity for the right man. Our own field men know about this ad.

Address Box C71, The National Underwriter, Chicago

**Proposes Liability Division at Boston Board Meeting**

**INADEQUATE RETURNS CAUSE**

Retiring President Fairfield of Boston Board in Annual Address; Hoffman New President

BOSTON, Jan. 15.—The recent declaration of the Massachusetts commissioner that the Boston Board was a monopoly, acting in restraint of trade, operating illegally and had been usurping functions of insurance department, formed an interesting topic for comment in the annual report of President H. G. Fairfield at the board's annual meeting today. He made it evident the members were not content with the return from automobile liability business, and went so far as to advocate enlargement of the board's functions to include a liability division.

R. S. Hoffman, of R. S. Hoffman & Co., was elected president. W. C. Hill, of Elmer A. Lord Co., was elected vice-president; James Davis was reelected secretary-treasurer, W. H. Winkley reelected manager, and Isaac Osgood reelected assistant manager.

The executive committee named was A. J. Anderson of O'Brion, Russell & Co.; R. A. Sullivan of Hinkley & Woods; Gerald Henderson, of John C. Paige Co.; R. A. Bunting, of Gilmour, Rothery Co.; and Mr. Fairfield, of Fairfield, Russell & Ellis. The advisory committee elected was Fireman's Fund, Pennsylvania, Fire and James H. Carney, of Kaler, Carney, Liffler & Co.

President Fairfield in his address, devoted most of his paper to unusual conditions of the present. He noted that most of the member companies had been able to make a profit in the last two years, and commented that as a result there probably would arise a demand for lower rates and downward revision of schedules.

This has been anticipated to a large extent on the so-called profitable classes. However, he said, a conflagration is over-due and the possibility must be reckoned with. With diminished premiums resulting from rate reductions already prevailing, he said, it is important that the board shall not suffer further from appropriation of the business by several out-of-state associations. "Boston premiums belong to Boston agents," he said. "Companies cannot expect you to keep up their income if they divert Boston premiums through Hartford and New York combinations."

He said in proposing the liability division that the greatest curse of the fire insurance business and general agents of the board, is the "entirely inadequate commission" on casualty business. He suggested study of the proposal to enlarge the board's functions.

**Clancey Joins Cincinnati Agency**

George Linn of Dickerson & Linn, Cincinnati, has announced that H. B. Clancey, who was manager accident and health department Western & Southern Indemnity, has become associated with his agency. The condition of John H. Dickerson, Mr. Linn's partner, remains unchanged. Mr. Dickerson recently suffered a stroke. The agency now represents the Massachusetts Fire & Marine, American Alliance, Western Fire of Fort Scott, Great American Indemnity and Western Casualty & Surety.

**Agent Dies at Age 97**

Omar A. Hine, head of the Watertown, N. Y., agency of Omar A. Hine, Inc., probably the oldest agents actively in the business, died at a Syracuse hotel in his 97th year. He had been in the agency line continuously for nearly half a century.

**Mrs. W. N. Achenbach Recovering**

Mrs. W. N. Achenbach, wife of the western manager of the Aetna Fire, is

**H. S. Visscher Is New Head of N. Y. Field Organization**

**KELLEY HEADS BLUE GOOSE**

Annual Meeting of the Two Organizations Is Held in Syracuse—G. F. Krantz Gives Address

SYRACUSE, N. Y., Jan. 15.—At the annual meeting of the Underwriters' Association of New York State, the following officers were elected: President, H. S. Visscher, Rochester, Royal; first vice president, W. H. Bryant, Syracuse, American of Newark; second vice president, J. W. Summers, Albany, Home of New York; chairman executive committee, John E. Forbes, Rochester, Sun.

As members of his executive committee, Mr. Forbes will have as new associates E. O. Yackel, Syracuse, Camden Fire; E. R. Pond, Albany, National Union; R. E. Wands, Syracuse, London Assurance. Other members of the committee continuing in office are: H. E. Gross, Rochester, Niagara Fire; P. D. Fogg, Syracuse, Travelers Fire; David Davidson, Albany, America Fore; R. C. Brown, Buffalo, Hartford; W. H. Cooper, Rochester, London & Lancashire, and M. G. Knapp, Albany, Royal Group.

Lawrence Daw, manager, and Arthur Birchenough, assistant manager of the New York Fire Insurance Rating Organization, will continue as secretary-treasurer and assistant secretary-treasurer respectively, of the Underwriters' Association, offices that they have filled faithfully for some years.

The retiring address of George F. Krantz, Albany, Hanover, was well received by nearly 200 members who were present. Mr. Daw's report as secretary was likewise interesting and contained considerable information about the work under his jurisdiction during the past year.

The matter of holding a summer meeting was left with the executive committee.

About 50 members of the Empire State Blue Goose attended the annual meeting prior to the yearly meeting of the Underwriters' Association.

Frank M. Kelley, Syracuse, Home of New York, was elected most loyal gander, succeeding J. R. Ryan, Albany, New Hampshire Fire. Other officers elected were: W. C. Truncer, Buffalo, St. Paul Fire & Marine, supervisor; F. J. Doyle, Albany, North America, custodian; S. W. Rose, Rochester, Aetna Fire, guardian; E. B. Judge, Syracuse, Atlas, wielder; J. A. Semple, Albany, American of Newark, keeper. The meeting was honored by the presence of David Davidson, America Fore, deputy most loyal grand gander, who made brief remarks and inducted into office the newly elected leaders.

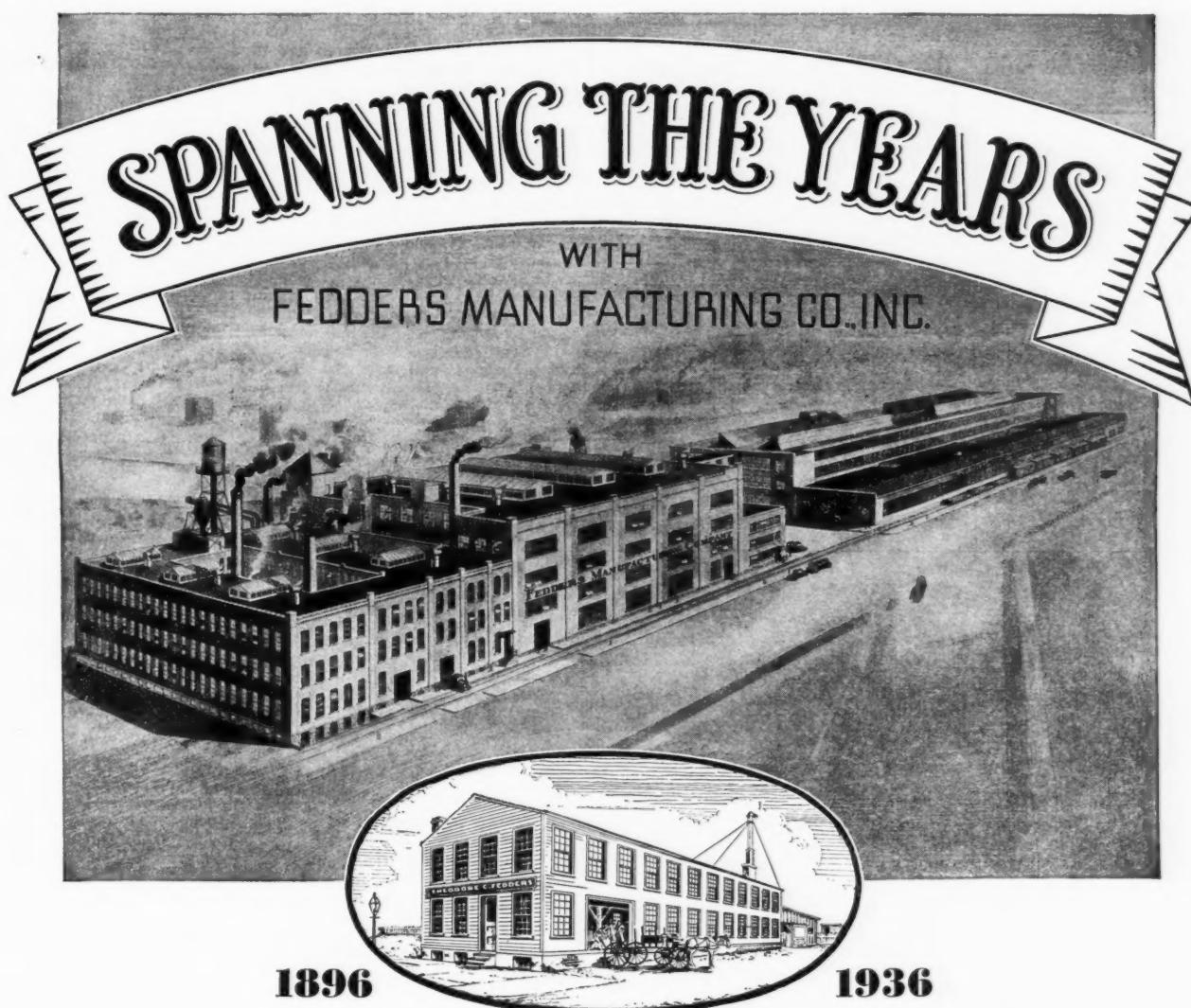
The Empire State pond now has about 175 members and plans are being made under the leadership of Mr. Kelley to increase the enrollment to at least 200 during this year.

A report of the grand convention at Atlantic City was made by Mr. Ryan. Much interest is being displayed in next year's convention to be held in Oklahoma City.

**Baltimore Insurance Society**

BALTIMORE, Jan. 15.—Charles J. Haugh, actuary of the National Bureau of Casualty & Surety Underwriters of New York, spoke on "Rate Making" at the weekly session of the educational department of the Insurance Society of Baltimore. "Adjustment of Fire Losses" will be discussed this week by L. C. Owrey, manager of the Fire Companies Adjustment Bureau.

in a hospital in Chicago, where she is reported to be making a satisfactory recovery from a serious attack suffered in her home.



**INSURING** an industry is more than just a "business transaction." It is a fusion of progressiveness, vigilance and financial soundness attained only by the closest cooperation of insured, agent and insurance company.

For more than a quarter of a century The Liverpool and London and Globe Insurance Company Limited, through its agent, Armstrong-Roth-Cady Company, Inc., has continuously insured the

**Fedders Manufacturing Company, Inc. of Buffalo, New York, famed manufacturers of automobile radiators and other products since 1896.**

**Royal-Liverpool Companies**, since early pioneer days, have furnished protection and security to American industry and commerce, and offer to agents, brokers and property owners today time-tested facilities which strengthen old friendships and create new ones.

## ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N.Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA  
 THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA  
 THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA

## NEWS OF THE COMPANIES

### Home's New 1935 Statement

**Annual Figures Reveal Gains All Along the Line—Company Is Soundly Buttressed**

NEW YORK, Jan. 15.—The annual statement of the Home for 1935 reveals these figures: Assets, \$113,206,862; net surplus, \$52,549,864; policyholders' surplus \$69,049,864; capital, \$14,500,000; premium reserve, \$37,002,162; loss reserve \$4,468,844; reserve for unpaid reinsurance \$685,991; reserve for taxes and accounts, \$2,000,000; reserve for conflagrations \$2,000,000. Had Dec. 31 market values for all stocks and bonds been used the assets would have been \$119,722,222, and net surplus \$59,065,225. Compared with last year's figures the statement reveals increases as follows: In assets, \$22,206,848; capital \$1,517,286; premium reserve \$1,244,499; tax reserve \$600,000; net surplus, \$16,346,543; policyholders surplus \$20,864,543. The \$2,000,000 conflagration reserve is a new

item, buttressing the financial strength of the company additionally.

The Home of New York has officially denied a rumor current that a block of 500,000 shares of its stock is to be offered to the public shortly by a syndicate.

The Home will pay an extra dividend of 5 cents a share with regular quarterly dividend of 25 cents. Its affiliate, the City of New York, increases its dividend to 60 cents a share from 50 cents paid last August.

### Camden Fire's Anniversary

**Attains Age of 95 Years—Occasion to Be Celebrated with Dinner in Home Office City**

The Camden Fire this week attained the age of 95 years and is planning to take cognizance of its birthday at a dinner in Camden, Jan. 29. At that time mementos will be presented to employees who have served the company for 20 years or more. This dinner will

be attended by members of the field force from the east and midwest who will be at the home office for the annual conference Jan. 28-30.

On Jan. 12, 1841, a group of Camden citizens held a public meeting and organized the company. The legislature granted a charter in March and the first policy was issued April 22, covering the dwelling of J. C. Burrough at 322 Market street, Camden. The premium was \$5. In its first year the company issued 23 policies and its total assets were \$142.20, including cash \$74.70, premiums unpaid \$21.50, notes on hand \$46.

During its first 54 years of existence the company confined its activities to Camden and vicinity and accordingly its growth was slow. In 1895 a Philadelphia office was opened and the company doubled its premium income. It then gradually expanded throughout the country and between 1899 and 1909 the assets increased from \$300,000 to more than \$2,300,000. The company was in splendid position when the panic of 1929 struck and it did not have to make any readjustment of its business structure during the depression. In 1935 the net premium income was more than \$5,000,000 and assets were more than \$11,000,000. The Camden Fire occupies several office buildings at the corner of

Fifth and Federal streets and recently it rented the ground floor of the Land Title building at Fifth and Market streets. The automobile, inland marine departments and the Camden casualty agency will be located there.

### Globe & Rutgers Expands

BOSTON, Jan. 15.—The Globe & Rutgers Fire has been licensed to do business in Rhode Island and New Hampshire. It has named Starkweather & Shepley its representative in Providence, R. I., and Ralph E. Came, Rochester, is its first agent in New Hampshire. The company is now entered in 41 states, Alaska, Hawaii and the District of Columbia.

### Still on Gold Standard

In a recent issue regarding the anniversary of the Commonwealth of New York, one of the North British & Mercantile fleets, it was erroneously stated that this year is the silver jubilee of the company. It has long since passed out of the silver class and this is its golden anniversary year. It is now looking forward to the diamond anniversary in 1961.

### Stockholders to Meet

ST. PAUL, Jan. 15.—The annual stockholders' meetings of the St. Paul Fire & Marine and allied companies will be held Jan. 17. Although there have been predictions of a stock dividend, President F. R. Bigelow said there would be no such action at this time. The St. Paul group has had a satisfactory year.

### Christensen Elected Director

Frank A. Christensen has been elected a director of the American Eagle to succeed the late Thomas Williams. He is a vice-president as well of the other America Fire fire companies and of the Fidelity & Casualty.

The Charter Oak Fire and the Georgia Home have been licensed in the state of Washington.

### Make Drive to Put School Cover on Staggered Basis

In view of the rate reductions in most of the middle western states on public buildings, field men and local agents in those states where it is permitted are now seeking to induce school boards to reorganize their insurance on a staggered basis. Under this system, one-third of the insurance is written for one year at one-third of the three year term rate. Another third of the insurance is written for two years at two-thirds of the three year term rate and the final third is written for three years on the term basis. Then at renewal of the one and two year policies, they are rewritten for three years.

The staggered system is permitted in a good many of the middle western states. Some of the insurance commissioners have ruled against its use and it has not been introduced in other states.

The agents feel they have a potent argument to cause the school boards to re-adjust their insurance at this time due to the rate reduction and also to the staggered system. They feel that if they can get the school board insurance on such a basis, it will be pretty much immune from competitive attacks of non-organization companies.

The school board and other public business have been subject to attack in the last two or three years by non-organization companies that offer to write the insurance for five years at four times the annual premium and to collect the premium in equal annual installments.

Harold Bong, staff adjuster with the Northwestern Mutual Fire, has been transferred from Spokane to Stockton, Cal.

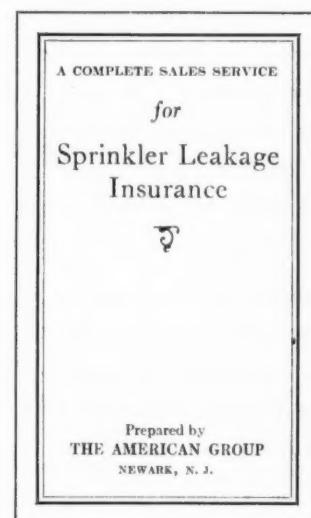
## A New AGENCY SALES SERVICE!

Now is the time to sell Sprinkler Leakage Insurance. We are ready with facts essential to selling and writing this class of Insurance, in concise form.

Of course, the prospects for Sprinkler Leakage Insurance are obvious, but the need for this protection is frequently not so obvious to them. We have analyzed these objections, and have prepared a solicitation letter and sales talk designed to overcome this resistance while still a-borning. Furthermore, we have a new and novel Policy Sticker, guaranteed to arrest the attention of both owner and occupant of a sprinklered building.

This complete Sprinkler Leakage Sales Service is now available to our Agents, and to others who may feel the need of a Company which renders an ever-improving Agency Service.

BY THE FIRE COMPANIES  
OF THE AMERICAN GROUP

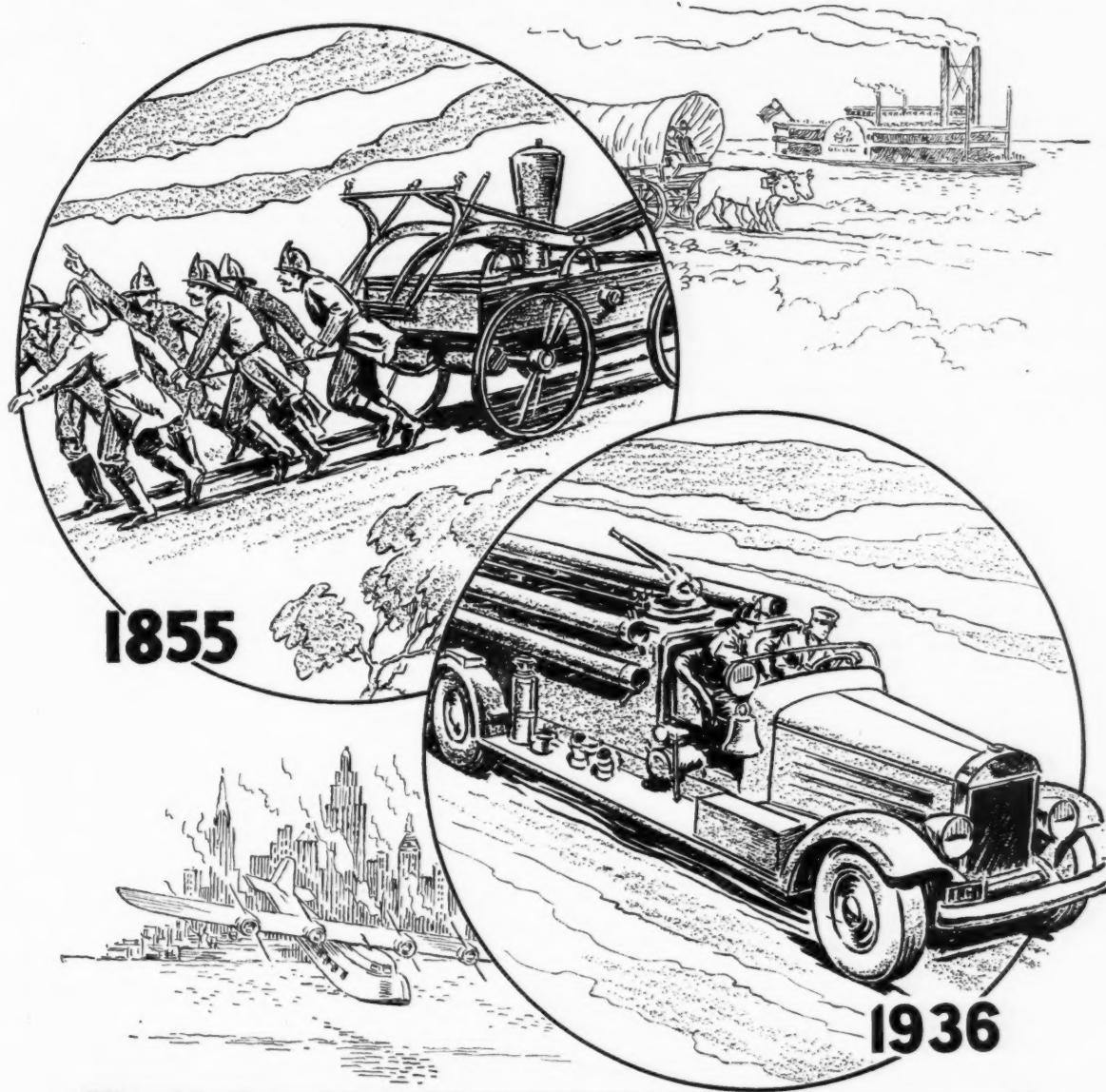


THE AMERICAN OF NEWARK

THE COLUMBIA FIRE OF DAYTON

DIXIE FIRE OF GREENSBORO

# EIGHTY-ONE YEARS FAITHFUL PERFORMANCE



## PROGRESS OF AMERICA

Paralleling the vast increase in fire insurance, since the Firemen's Insurance Company was founded in 1855 by a group of Newark volunteer firemen, is the spectacular change in fire fighting from man drawn, hand pumps to high speed motor apparatus. Keeping pace with the progress of America, the Firemen's Insurance Company, thanks to the loyal support of its agents and policyholders, has become a great insurance institution with a proud record of EIGHTY-ONE YEARS OF FAITHFUL PERFORMANCE.

## LOYALTY GROUP

Firemen's Insurance Company of Newark, N.J. 1855  
 The Girard Fire & Marine Insurance Co. 1853  
 The Mechanics Insurance Co. of Philadelphia 1854  
 Superior Fire Insurance Company 1871  
 The Metropolitan Casualty Insurance Co. of N.Y. 1874

WESTERN DEPARTMENT  
 844 RUSH STREET, CHICAGO, ILLINOIS  
 CANADIAN DEPARTMENT  
 481 BAY STREET, TORONTO, CANADA

ORGANIZED  
 EASTERN DEPARTMENT  
 10 Park Place  
 Newark, New Jersey

Milwaukee Mechanics' Insurance Company 1852  
 National-Ben Franklin Fire Insurance Co. 1866  
 The Concordia Fire Insurance Co. of Milwaukee 1870  
 The Capital Fire Insurance Company 1886  
 Commercial Casualty Insurance Company 1909

PACIFIC DEPARTMENT  
 20 BUSH STREET, SAN FRANCISCO, CAL.  
 SOUTH-WESTERN DEPT.  
 912 COMMERCE STREET, DALLAS, TEXAS

## Ohio Defeat of Allstate Companies Draws Interest

(CONTINUED FROM PAGE 2)

partment it did not approve licensing employees of mercantile establishments as agents, and that the practice would not be continued extensively.

Later the Ohio Association of Insurance Agents filed a protest with the department, declaring the two agents were not bona fide insurance agents. Then the department licensed four other agents, two being experienced insurance men. The department was told the companies intended to establish bona fide insurance offices in the state.

A new insurance superintendent took office, who refused to renew the agents' licenses, declaring the law was not being complied with, although no hearing was held. The court held in its opinion that there was no discrimination against foreign companies in the sections of the law considered in the case and that the provisions are not unreasonable, and that the promise to set up a complete agency force was not kept.

The court said, "The effect of the Ohio statutes in question is to prohibit foreign insurance companies licensed in Ohio from receiving applications for insurance on property in Ohio through the

mail at their home offices, directly from citizens of Ohio, but such provision in no wise gives these laws extra-territorial effect. When foreign insurance companies apply for and are granted licenses to transact insurance business in Ohio they know that the laws of Ohio will be read into their policies and that the laws of Ohio have a right to and will insist that contracts of insurance covering property of its residents located in Ohio be Ohio contracts." The department's action was upheld and the writ denied.

### COMPANY'S STATEMENT

Carl L. Odell, vice-president Allstate, said, "The Allstate Insurance and the Allstate Fire were operating in the state of Ohio under licenses issued by the insurance department during the years 1932, 1933 and 1934. In 1935 a difference in opinion arose as to the interpretation of the Ohio law governing the operation of insurance companies in that state. By mutual understanding with Superintendent Bowen the companies continued to operate in Ohio while the matter was carried on a petition of the companies to the supreme court of Ohio and the decision announced was the result. The matter is not yet fully determined since a petition for a rehearing is presently being prepared for presentation to the court."

## Ohio Committee Advocates Local Control of Coverage

(CONTINUED FROM PAGE 2)

appreciatively to the "term of service by inspectors working for insurance companies in their examination of buildings, checking fire hazards and recommendations to school boards as to how these hazards may be eliminated and the probability of fire loss reduced to a minimum. This item by inspectors to various boards of education provides a service without which fire losses would inevitably increase."

### Disapprove State Fund

The committee adds that in its opinion "the attempt of the state to underwrite fire hazards would be a matter of very questionable policy which the committee could not approve."

As to bus insurance, the committee said: "We find that the concern of some parents as to possible injuries to their children in transportation due to the questionable value of insurance coverage does not now in general maintain and need not in any instance so maintain because of the waiver clause now willingly added to bus insurance contracts. Property damages and casualty insurance has not been in operation

long enough to give the committee facts and figures to correctly and efficiently judge as to the advisability of the state's entering this field of state obligations." The committee said that it felt unequal to the task of framing an insurance proposal of this kind and recommended that the hazard be carried by private companies at such premium rates as may be secured.

### Agree on Endorsement

It was pointed out this week, however, that as a result of conferences between the Ohio department of education, the representatives of the Ohio association, and conference companies and domestic casualty companies, an endorsement was agreed upon to be attached to all liability policies as follows:

"It is hereby understood and agreed that the company will not take advantage of any defense other than would be valid and legal if the assured were an individual or a private corporation. That upon the considerations stated in the policy it is agreed that it covers the liability of the assured, the school board and individual members thereof and owner and driver of the school buses, while the described school buses are being used to carry children, students, and teachers to and from school, or to and from games and outings, including incidental transportation of guest, school officials, board members, nurses, doctors, parents or guardians of school children, in connection with school activities."

## New England Exchange Head Opposes Any Rate Decrease

(CONTINUED FROM PAGE 2)

Office for Boston and the metropolitan district with the exchange. Three inspectors have resigned and their work has been absorbed by other employees. The complete staff now numbers 190 as compared with 189 a year ago.

The number of idle, vacant or dilapidated buildings and plants has increased. Federal aid has worked to the advantage of the fire insurance business, according to the secretary, who pointed out that a number of new water systems have been installed, new fire stations and modern fire alarm headquarters buildings erected, with a substantial increase in the purchase of new fire department apparatus, the greater part of this replacing old equipment.

## Oil Burners Investigated by Underwriters Laboratories

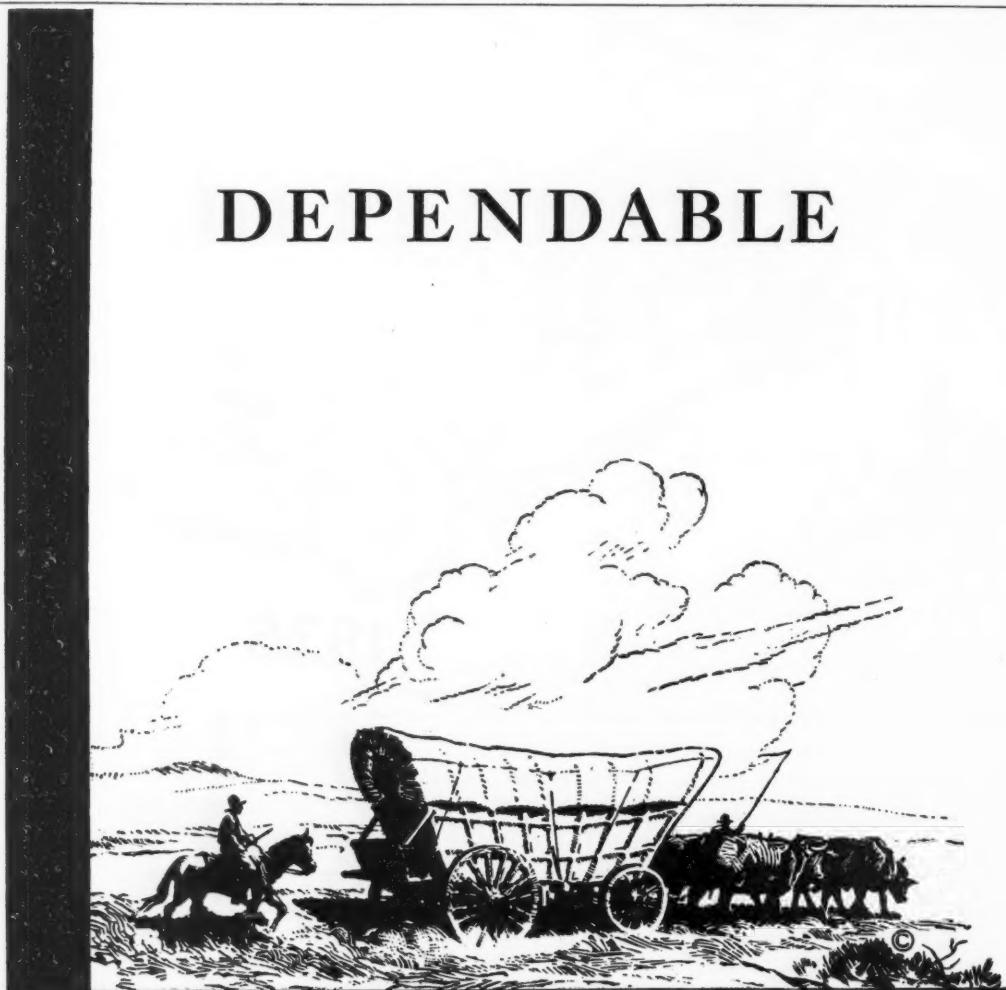
The investigation of oil burners, made necessary by the adoption last year of Commercial Standard CS12-35 specifications for fuel, has recently been completed by Underwriters' Laboratories after a study of the performance of labeled burners fired with fuel meeting the standard specifications.

Recommended grades of oil for each labeled burner, determined by this investigation, are published in the "List of Inspected Gas, Oil, and Miscellaneous Appliances of December, 1935," the oil numbers referring to those grades of fuel defined by the CS12-35 specifications.

The investigation showed that some types of burners were capable of safe operation when using fuel of the same grade designation as recommended by the Laboratories prior to the adoption of the standard specifications. For such burners, which included those of the pressure atomizing type, the grade number of the fuel recommended in the December, 1935, list remains the same as that recommended for use with these burners in previous lists. In other cases, however, it was found that safe performance could not be expected with the grade of fuel of the same number under the new specifications. The listing of these burners has therefore been revised to show the proper grade of oil under the new specifications.

The St. Louis Cat's Meow is holding its annual installation of officers this week.

## DEPENDABLE



## The SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO. · SPRINGFIELD, MASS.  
CONSTITUTION DEPARTMENT · · · · · SPRINGFIELD, MASS.  
SENTINEL FIRE INSURANCE COMPANY · · · SPRINGFIELD, MASS.  
MICHIGAN FIRE & MARINE INSURANCE COMPANY · DETROIT, MICH.  
NEW ENGLAND FIRE INSURANCE COMPANY · · · PITTSFIELD, MASS.

## Unemployment Act Being Discussed

(CONTINUED FROM PAGE 3)

repealed, they were likely to have legislation far more drastic in character in its stead; mentioning specifically the Townsend proposal.

Insurance interests appreciating the complex issues that have arisen and still others likely to develop with the enactment of new social security laws of different kinds by the states, have created a special bureau—in so far as fire and casualty companies are concerned—for dealing with them. The National Association of Insurance Agents has likewise been alert to the situation and is keeping its membership informed as to developments.

It will be recalled that Secretary W. H. Bennett, of the latter body, filed a brief with the District of Columbia commission, challenging its ruling as to the status of local agents. No response thereto, other than acknowledgment of the document, has been received, and the general belief is that the commission will refrain from blanket decisions, determined instead to leave it to the courts once specific cases come before it.

Obviously with legislation so revolutionary in character and so all embracing in its terms, considerable time must elapse before either the federal or the different state administrators are in position to handle the jobs entrusted them in satisfactory manner, and patience in dealing with the officials is counseled. So far as the organization created by the National Board of Fire Underwriters and the Association of Casualty & Surety Executives is concerned, and which is known as the Underwriters Social Security Service, close study will be made of all present and future social security measures, and prompt interpretation given to subscribing members.

As indicating the celerity and clarity with which the service, directed by Thomas Watters, Jr., with L. F. Beck and C. F. Littlepage, all practicing attorneys, operates, a bulletin was issued regarding the New Hampshire unemployment compensation act, the data being in the hands of companies in time to permit compliance with the statute, and thereby avoid penalties.

### NEW HAMPSHIRE RULING

The New Hampshire unemployment compensation division has ruled that the law applies to all employers who are subject to the federal social security act. This rule means that if a company has only one employee in New Hampshire, but has seven or more in any other state, such employer must pay the New Hampshire tax on the one employee in that state.

### NO MINNESOTA LEGISLATION

ST. PAUL, Jan. 15.—Insurance companies operating in Minnesota need not bother about the question whether insurance agents are employees in the eyes of the law. The special session of the Minnesota legislature is about ready to quit without enacting an unemployment insurance law, one of the things it was expected to do. Several other minor insurance bills also failed to get anywhere.

### BENNETT'S VIEWS

Walter H. Bennett, secretary of the National Association of Insurance Agents, in a letter, expresses the opinion that some company will undoubtedly test in the courts the determination of the District of Columbia unemployment compensation board, should a tax be imposed upon the companies under the District of Columbia act on the theory that agents are employees of the company within the meaning of the act. The letter was addressed to S. T. Perrin, chairman of the executive committee of the Association of Local Agents of the City of New York.

The district act, he points out, pro-

vides for review of any final decision of the unemployment compensation board.

Mr. Bennett cited the theory that the unemployment board has decided to include every one within the law and then let them escape as best they can. This is not in line with fair and equitable interpretation, according to Mr. Bennett.

Master and servant have long had a

definite meaning in the law, Mr. Bennett pointed out. There has also been a distinct knowledge that certain human relations never have been and never should be classified within the doctrine.

Mr. Bennett charges that the board contradicts itself when it attempts to include agents in the act and at the same time hold that the relationship of employer and employee exists whenever the

employer retains the right to direct the manner in which the business shall be done as well as the result to be accomplished.

Mr. Bennett pointed out that insurance companies do not exercise or retain the right to direct the manner in which agents shall transact their business nor do they retain the right to control the results to be accomplished.



Getting off to a good start is vital in flying. And in writing more business it's very essential, too.

That's why we're urging you in 1936 to bear down harder than ever on Kansas City Fire & Marine. For here's a growing young company—located close to you—whose assets are second to none; whose service and engineering facilities are complete and yours to command; whose entire personnel is always alert to new and better ways to help you write more business.

If you're now actively writing Kansas City Fire & Marine, the airport's just a speck in the distance. If you're not but decide now to start, your wheels are already skimming the ground.

Our service department is earnestly eager to help you in your underwriting problems — without cost to you! Use this service FREELY!

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**This is a fighting organization. But we fight for, not with, our business associates; and all the strength, acumen and character we've accumulated down through the years, is at the service of our agents and their customers.**

**THE  
CONNECTICUT  
Fire Insurance Co.  
of  
Hartford, Conn.**

**Cash Capital . . . \$ 2,000,000.00  
Net Surplus . . . 11,013,713.79  
Assets . . . . . 19,130,425.82**

**Time Tried and Fire Tested  
since 1854**

## AS SEEN FROM CHICAGO

### CHICAGO EXAMINERS MEETING

Gael Sullivan, associate director in northern Illinois of the Federal Housing Administration, will be the speaker at the meeting of the Association of Fire Insurance Examiners of Chicago Jan. 16. In announcing this speaker, R. J. Bothwell of the America Fore group, president of the association, states that Mr. Sullivan will explain the activities of the FHA as they pertain to the rehabilitation and remodelling of dwellings and commercial buildings and will also explain the financial setup of the FHA, including procedure for getting a loan for remodeling purposes. Mr. Sullivan's talk will be supplemented by motion pictures.

### \* \* \* FIRE EQUIPMENT EXHIBIT

The fire prevention committee of the Chicago Association of Commerce is planning an exhibit at Mandel Brothers store Jan. 18-Feb. 8 of fire prevention equipment and appliances and a display of fire prevention posters designed by high school students. The American District Telegraph Company will have a special display. R. E. Verner of the Western Actuarial Bureau is in charge and Chief H. K. Rogers of the bureau will be on hand. Chief Frank C. McAuliffe of the Chicago Fire Patrol is on the association's fire prevention committee. The following insurance men are members: Jay S. Glidden, Chicago Board; Hamilton M. Loeb, Eiel & Loeb; R. E. Maginnis, American District Telegraph Company; Alvah R. Small, Underwriters Laboratories; R. E. Verner, Western Actuarial Bureau; Joel R. Wilson, Marsh & McLennan; Col. Clarence Goldsmith, National Board.

The exhibit will include the nationally known North America collection of fire relics, consisting of an old hook and ladder wagon, the original model Latta steam engine made in 1853, a sewed leather black jack used for serving hot toddy to firemen in 1700, a riveted leather hose of 1817 and extremely rare. Fire extinguishers, a fire alarm box, life nets, first aid equipment and other paraphernalia of modern fire fighters will be shown. A fireman will be on duty to answer questions.

### \* \* \* LUCE AT FIELD CONFERENCE

Vice-president Fred B. Luce of the Providence Washington and Anchor Fire is in Chicago this week visiting the western department and is attending the conference of its field men. The two companies had a fine year. Western Manager John R. Cashel presides at the field conferences. The annual banquet was held Wednesday evening of this week. Mr. Luce was formerly western manager and therefore has a close personal interest in the central west.

### \* \* \* ARMOUR INSTITUTE COURSE

The fire protection engineering course at Armour Institute in Chicago was established in 1903 and was made possible by the cooperation of the Underwriters Laboratories and the fire insurance companies. For many years the graduates have been employed by fire companies in engineering work and they have made excellent records. It has been proved that those who contemplate entering the insurance business, getting ground work, basic science and engineering with adequate treatment of fire protection and fire insurance problems find the course at Armour has been highly satisfactory. Nonprofessional subjects are given ample treatment there. Prof. J. B. Finnegan is head of the fire protection engineering department. There have been 330 men graduated from the course. On fire insurance itself there is a study of modern methods of analysis of fire haz-

ards and the procedure involved in the computation of fire insurance rates.

In the third year there is a course on the history of fire insurance, the economic aspects of the business, fire insurance legislation and taxation. There is a discussion as to insurance functions of inspection and rating bureaus, a fire insurance policy is examined and there is much practical information given out.

### \* \* \* LABORATORIES' DIRECTORS NAMED

All directors of the Underwriters Laboratories were reelected at the annual meeting of the stockholders in Chicago.

Among the special guests were W. E. Baldwin, Canadian manager of the America Fore group, and A. H. S. Stead, manager of the Dominion Underwriters Association. There were a number of eastern executives present as well as western department managers.

### \* \* \* REPORT ON EVANSTON

The National Board has made its report on Evanston, Ill. The fire loss for the last five years was \$397,803, the average loss per fire \$318 and average loss per capita \$1.22.

The engineers say that the water supply works are adequate and fairly reliable. The distribution system is weak in some sections, including part of the principal mercantile district. The fire department is inadequate in some respects but fairly efficient. The fire alarm system is incomplete, with some unreliable features.

The report says that in the principal mercantile district, fire-resistive weak construction makes group fires probable. The fire fighting facilities, while having some deficiencies, are fairly strong and powerful outside aid is readily available. Heights of construction are low and streets are of fair widths, so that fires should be confined to the group or block of origin. In the few manufacturing plants and in the minor mercantile districts, the hazard is local.

### \* \* \* DE BARRY & CO. AGENCY CHANGE

C. D. De Barry & Associates of Chicago will undergo liquidation, to be succeeded Feb. 1 by C. D. De Barry & Co., Mr. De Barry having taken over complete control, he being the sole owner of the firm. This company has operated since 1927, readjusting inadequate premium life insurance policies of fraternal societies and assessment associations. In addition for some time it was general agent in Chicago of the Reliance Life and for the last year or so has been general agent of the Lincoln National Life. C. D. De Barry & Associates have produced life insurance at the rate of over \$25,000,000 annually for the last seven years, having paid for \$179,000,000 since 1927. Mr. De Barry personally paying for \$4,000,000 since he entered life insurance. About \$50,000,000 was handled in 1935. The company is agent in Chicago for the Standard Surety & Casualty and has a number of important brokerage connections in the fire and marine field. Julian C. De Barry, a son, who is a freshman at Georgetown University, will go into the firm during vacation season and after graduation work on a full time basis. The offices remain in the Adams-Franklin building in Chicago. A large volume of business is being done in all departments, Mr. De Barry reports, the casualty and fire departments showing substantial increases in written premiums.

### \* \* \* LOSS AT FAIR INCONSEQUENTIAL

Total fire loss in the Century of Progress proper was not over \$600 in the two years in which it was conducted, R. E. Maginnis, special representative of the American District Telegraph in Chicago, well known to insurance men, told the Cook County Field Club at its

January meeting. There were 201 fire alarms, most of the blazes being minor. The record was unusual in view of the type of construction and occupancy, he said. Much credit was given Chief Frank McAuliffe of the Fire Insurance Patrol for enforcement of good housekeeping. There was a small fire totaling about \$500 damage to the General Motors exhibit but no claim was made, and the Ford barn suffered about \$1,000 with no claim made.

Mr. Maginnis discussed operation of the A. D. T. alarm system in relation to insurance. He said reduced fire department personnel in many cities and lowered tax rate for support of firemen undoubtedly are prime factors in the increase in fire losses generally reported in the last quarter of 1935. The increase, he believed, also was due to a lessening of morale and deficiency in fire prevention work resulting from general business improvement and placing of more emphasis on the sales end. Fire prevention work should be strongly emphasized to offset this trend, he said. Mr. Maginnis presented the A. D. T. service as "insurance of insurance" conducive to a continuity of business and reduction of fire loss, which, he said helps, to keep fire premiums up. J. L. Husman, vice-president of the A. D. T. from New York was a guest at the meeting.

### \* \* \* TAKES OWN OFFICE

W. J. Robbins, broker associated with Fred S. James & Co., Chicago, for the past three years, has entered business for himself with offices in the Insurance Exchange building, Chicago. Mr. Robbins is well known in insurance circles and at one time was company manager for the Associated Indemnity at Chicago.

### \* \* \* LASHER RETURNS TO CHICAGO

C. D. Lasher, general manager of the Home of New York group in Chicago, has returned to his job in that city, after having been in San Francisco several months on a special mission in the Pacific Coast department.

### \* \* \* C. E. CASE IN CHICAGO

Charles E. Case of New York City, assistant United States manager of the North British & Mercantile group, was in Chicago Monday visiting Manager W. F. Sweazee of the Chicago department.

**Inn Escott**, vice-president of the Home of New York, has been visiting the Chicago offices of his company.

### Publication of Statements

BALTIMORE, Jan. 15.—Commissioner Wesley S. Hanna of Maryland has notified all local insurance companies and representatives of other companies doing business in the state that abstracts of annual statements may be published in weekly as well as daily papers, under a modified opinion of the attorney general. The attorney general first held that the law required all annual statements be published in daily papers only, but when several regular weekly publications that had been publishing these abstracts made an appeal the ruling was modified. The modification of the original ruling will result in saving considerable money in the publication of these abstracts due to the difference in advertising rates between daily papers and the weekly publications.

### Coast Notes

The semi-annual edition of **Kirschner's Insurance Directory** of Los Angeles has just been published.

**Preston Heath**, engineer with the Mountain States Inspection Bureau of Denver, is the father of a baby girl.

**Guy C. Macdonald**, associate editor "Insurance Field" at San Francisco and secretary of the San Francisco Council for the Reduction of Automobile Accidents and the California Traffic Safety Council, has been reappointed to commissioner of fire prevention and public safety for that city, which position he has held for the past three years.

## Farm Men Watch Signs in the Sky

(CONTINUED FROM PAGE 1)

had not made hail insurance compulsory but had a rate of 10, 20 and 30 cents for one, three and five years respectively in addition to the tornado rate. It was thought advisable to bring the two together and make the combined cover compulsory, extending hail coverage. This was done and the hail element of the premium was reduced. Then came a series of very severe hail storms which caused a big loss, not only to the farm but to the recording companies. Therefore, the state authorities authorized an increase in the combined rate.

### Active as to Burners

The Chicago municipal authorities took action requiring drastic changes in the sanitary conditions of farmers and dairymen furnishing milk to the city. They required that there be heaters in milk houses so that cans and other utensils could be sterilized. This caused the farmers to install all kinds of heaters and the farm men saw a great increase in hazard and threatened to add a rate penalty. Milk dealers stated that if the expense of the milk producers were increased it would cause much embarrassment. Therefore, the Farm Underwriters Association decided to require a permit for the use of heaters and fixed standards as to cement foundations, flues and other safeguards. A permit, however, is required on every policy but there was no increase in rates.

### Ruling on Rolled Roofing

Mule hide roofing or any rolled roofing did not command a credit even though it bore the Underwriters Laboratories label. It was placed on the same basis as tar paper roofing. However, the rolled roofing has now been approved, and a credit allowed by the Farm Underwriters Association if it is approved by the Laboratories.

One of the interesting features late in the year was the use of the facilities of the collection division of the Chicago Association of Credit Men in its taking charge of uncollected farm notes where the companies have not been able to get a remittance. There is no alliance with the Chicago association other than it is using its machinery to attempt to make collections and will only be paid if the division is successful.

### Farm Power Machinery Schedule

In Kansas there was a regrouping of power farm machinery and a simple schedule was devised which in the minds of the farm men has been local. This will now be employed in other states but there will be no change in rates.

Mr. Parks, the new president of the Farm Underwriters Association, has had a long experience in farm underwriting. He started his career in the old Farmers & Merchants Fire of Lincoln, Neb., and then went to the Columbia Fire of Omaha, which later became the Columbia Underwriters Agency and was bought by the National fire. Out in the Nebraska territory he began a study of farm insurance and specialized on it. The Liverpool & London & Globe succeeded in gaining his services in December, 1913, making him head of its farm department in Chicago. In 1920 he took his present position. Mr. Parks is regarded as one of the outstanding farm insurance men of the country.

### New Governing Committee

The new members of the managing committee are F. H. Cornell, Home of New York; A. G. Dugan, Hartford Fire; Robe Bird, American; J. W. Gregory, Crum & Forster, and C. L. Bloom, Commercial Union. The hold-overs are L. D. Goss, America Fore; W. N. Achenbach, Aetna Fire; W. W. Waddell, Fireman's Fund, and W. T. Avey, North America.

## Expect Fire Loss to Rise This Year

(CONTINUED FROM PAGE 1)

1935 it is recalled that marked reductions have occurred on such classifications as fireproof hotels, theatres and garages; heavy cuts on fireproof structures in Missouri were ordered; in Minnesota reductions on certain classes became effective in November, while in Florida the 30 percent advance ordered for particular types of risks was rescinded. Throughout the Southeastern Tariff Association jurisdiction the 15 percent reduction on brick mercantile buildings and their contents went into effect, while the extent of the reduction ordered in a number of Texas cities under the change in the base ratings remains to be seen.

Tariffs in the important premium-producing centers of New York and Chicago were both cut sharply, while on the Pacific Coast even more drastic reductions became effective.

### Greater Volume Needed

Averaging of rates upon chain store schedules also has cut a wide swath in incomes. As a result of these widespread downward rate revisions companies seeking to maintain premium incomes must write substantially more volume; their liability for the same premium return will be far greater than hitherto.

To meet increasing competition of non-stock companies, stock offices will have to drive for income harder than ever, and some may be tempted to "cut corners," the unwise of which eventually will be brought home.

In past years, mutuals have confined solicitation largely to certain approved types of risks; of late, however, they have shown pronounced disposition to go farther afield, a number entering the agency realm and seeking general business. If this practice becomes at all common their loss and expense ratios are bound to increase to such point that they will have no advantage in either respect over stock companies.

### Public Service Factor

The latter, because of the agency system, are forced to grant coverage to many small assured, who otherwise would be without protection, a service to the general public that is not sufficiently stressed. In addition to seeking straight fire risks, some mutuals now are writing use and occupancy lines under reporting form, and are credited with getting a considerable volume of business.

### A. D. T. Awarded Contract for U. S. Bullion Depository

The American District Telegraph Company has been awarded the United States government contract for alarm protection of the great gold bullion depository, being constructed at Fort Knox, Ky., the contract price being approximately \$20,000. This will be the most complicated burglar alarm and special watch service system ever built. The equipment will include a complete vault protection system, with sound protection, entrance door protection, emergency holdup alarms of several kinds, watch reporting service and further secret alarm systems. The contract for constructing the depository was awarded to the Great Lakes Construction Company and the electrical contract to the Marine Electric Company, Louisville. The underground vaults will contain all the government's reserve gold now held in the east, the west coast gold having been taken to Denver. There will be in addition 1,300 soldiers on guard at Fort Knox.

Jesse Weil, Bradshaw & Weil, local agency at Paducah, Ky., and also of the general agency of Bradshaw & Weil, Louisville, has arranged to sail from New York, on Jan. 25, with plans for visiting Italy, France and England, before returning.

**"Explosion is so final!"**

is the thought provoking headline of The Alliance national advertising for January.

Emphasizing the serious danger of explosion and making clear the need for dependable insurance, the advertising tells readers to "Ask the Alliance Agent."



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## NEWS OF FIELD MEN

### Brown Heads Illinois Pond

Annual Meeting of the Blue Goose Was Held This Week at Springfield

SPRINGFIELD, ILL., Jan. 15.—At the annual meeting of the Illinois Blue Goose tonight, Lloyd W. Brown, secretary of the Firemen's of Newark group in its western department, was elected most loyal gander, he having been su-



LLOYD W. BROWN

pervisor during the last year. He entered his insurance career as a solicitor in the agency of Durfee, Clark & Nicholson at Decatur, Ill. In January, 1923, he was appointed special agent of the National Liberty when A. H. Knight, now head of the entire Home group in Illinois was state agent. About a year later the state was divided and Mr. Brown was given the central and southern part as state agent with headquarters at Decatur. In September, 1927, he resigned from the National Liberty to take the state agency of the Firemen's, Pittsburgh Underwriters and Keystone Underwriters in central and southern Illinois. He was called to the western office in November, 1913, as assistant secretary to succeed Fred W. Sullivan, who was transferred to the Pacific department. He was made secretary following the death of the late James Smith.

#### A. R. Miller Presides

A. R. Miller, America Fore, most loyal gander, presided at the dinner. The arrangements committee consists of Grant Bissell, Aetna; H. J. Conklin, Firemen's; A. A. Knopp, New York Underwriters; R. E. Minner, Home; A. R. Rathslag, Fire Association; B. F. Peters, Royal, chairman.

Gifts were made to C. H. Metzner of the Phoenix of Hartford, who has been transferred to Detroit as Wayne county manager, and W. L. Schreiber of the Pacific National Fire in the west, who goes to the Pearl as state agent in Ohio.

The semi-annual meeting of the Illinois Fire Underwriters Association will be held here tomorrow with R. S. Tucker, America Fore, president of the organization in the chair.

The nominating committee of the Blue Goose, headed by John T. Harding of the Millers National, presented the slate of candidates, headed by Lloyd Brown. D. J. Harrigan, St. Paul, was nominated for supervisor; John Chickering, superintendent of agents in the western department of the Sun, for custodian; O. S. Peterson, special agent of the Home, for guardian; A. J. Meyer, Automobile, for reelection as keeper;

and P. J. V. McKian, Western Actuarial Bureau, for reelection as wielder.

A good many of the Illinois field men went to Peoria Tuesday evening for a function there sponsored by the local puddle of the Blue Goose.

Roy V. Haser of the Ohio Farmers decided to call a meeting of the Illinois Field Club—the Western Insurance Bureau organization—for Thursday of this week in Springfield. Mr. Haser is not attending the sessions, because he is at the head office of his company in Leroy, O., for the annual meeting of agents and field men. In his absence John Hon of the Firemen's, vice-president of the field club, is presiding.

One of the visitors at the meeting was Vice-President H. A. Yates of the National Union Fire, who was formerly an Illinois field man.

### Nebraska Blue Goose Rally

Notable Function Attended by Four Past Most Loyal Grand Ganders of the Order

The ceremonial and initiation of three candidates into the Nebraska Blue Goose was held at Omaha Monday afternoon and evening. The initiation was in charge of Asa Lane of Firemen's of Newark. Following the banquet, attended by 82 members, the largest gathering the pond ever recorded, there was entertainment. Present throughout the proceedings was Most Loyal Grand Gander T. Ray Phillips of Oklahoma City; C. P. Helliwell, grand wielder of the goose quill, from Milwaukee.

Four past most loyal grand ganders sat at one table during the banquet: G. M. Wise, of Lincoln who served in 1918; E. D. Marr of Omaha, formerly of Kansas City, who served in 1921; H. Verne Myers, Waterloo, Ia., who served in 1926, and L. H. Bridges of Chicago, who served in 1934.

The three candidates were: Crane T. Shee of Garmire Adjustment Company; Walter Hamann of Underwriters Adjusting and John B. Wyatt of Nolan & Co.

### New Cover for Blue Goose

Members of Order to Get Individual Policies Under Arrangement with Lincoln National Life

MILWAUKEE, Jan. 15.—With the multiple-life contract of the Blue Goose with the Lincoln National Life expired and a 30 day binder protecting the policyholders who sent in applications for a new plan terminating at the end of January, C. P. Helliwell, grand wielder of the goose quill, is now acting as negotiator in connection with the writing of Blue Goose life insurance by the Lincoln National in individual policies under the auspices of the fraternal order. About 1,400 applications, or 65 percent of the membership, returned applications but the substitution of the Old Line Life group plan depended upon 85 percent and was consequently dropped.

#### Non-Medical Forms

Under the new arrangement of writing individual policies in the Lincoln National Life which is at the present carried under the old contract and the 30-day binder, Mr. Helliwell is taking applications on a non-medical form. All members of the Blue Goose of 45 years or under may execute a non-medical application, while those over 45 generally will be required to take the regular examination. If the application is satisfactory to the company a policy will be issued immediately and it is desired that all policies be in the hands of ganders before lapsation of the binder.

"Support on the part of younger

men," Mr. Helliwell pointed out, "will enable the needs of older or impaired members to receive thoughtful consideration at the hands of the company. The new individual policy, with the exception of an expectancy contract which terminates at its expiration date, will provide uninterrupted coverage if the premiums are paid. This, I think, is a great improvement over previous arrangements under the old group insurance plan. The new plan, in addition to making it easier for the older men, also is for the benefit of the Blue Goose organization as a whole."

### Hughes Is Named Florida State Agent; Hitch Remains

TAMPA, FLA., Jan. 15.—T. D. Hughes, for several years special agent America Fore group in Florida, has been advanced to state agent for the American Eagle, Fidelity-Phenix and First American, with headquarters in the First National Bank building here. Ed. Hitch, veteran state agent for the group, with headquarters at Orlando, will have, with the same title, the Continental, Maryland and Niagara. Each man for his companies will cover the whole state.

### It's Now Chief Winnard

Ray S. Winnard, state agent Fire Association, who was elected to the village commission of Upper Arlington, O., a suburb of Columbus, will serve on the fire insurance committee of the commission and will be chief of the fire department. J. P. Hershberger, Royal, is a new member of the Upper Arlington board of education.

### Hubbell Is Honored

About 60 members of the Indiana Blue Goose met with other friends of E. R. Hubbell, president of the Indiana State Fire Prevention Association, to

### Wisconsin Honors Former Chief and Noted Gander



C. P. HELLIWELL

C. P. Helliwell, Milwaukee, general agent for the New Brunswick and Halifax and prominently known as grand wielder of the Blue Goose, was honored by the Wisconsin Fire Underwriters Association at a dinner for his service as president of the field club in 1934-1935. Thomas Larkins, Hartford Fire, vice-president, was toastmaster. Mr. Helliwell was presented with the past president's emblem and his service was lauded. President A. G. Meredith, Oshkosh, Fire Association of Philadelphia; C. E. Hayne, America Fore Group; Warren D. Johnston, Springfield Fire & Marine, and J. C. Qualmann, Queen, who was secretary during Mr. Helliwell's term of office, and Phil Grau, Milwaukee lecturer, spoke.

express regret upon his leaving Indiana and to wish him well in his new field in Michigan to which he has been transferred as state agent of the Royal-Liverpool group. Most Loyal Gander G. L. Heinz presided and introduced several members and other friends who spoke in recognition of the good work Mr. Hubbell has done in Indiana as a member of the Blue Goose and as head and secretary-treasurer of the Fire Prevention Association. On behalf of those present O. E. Green presented Mr. Hubbell a handsome desk set.

### Pearl Appoints E. H. Miller

P. H. Mell, manager Pearl-American fleet for the middle department, announces the appointment of Edward H. Miller as special agent for the Pearl and Monarch in the western Pennsylvania territory. Mr. Miller joins the fleet after years of experience both in field and agency development. He successfully owned and operated local and general agencies in Florida and Pennsylvania from 1914 to 1927. He was special agent for the National Union Fire in the Pittsburgh and Allegheny county territory 8 years previously. The western Pennsylvania office is located at 1507 Commonwealth Trust building, Pittsburgh, in charge of State Agent W. D. Corbett with G. S. Petrik and Mr. Miller assisting.

### Buffalo Field Club Election

The Buffalo Field Club has elected Ralph Eisert, Agricultural, president; Fred Beebe, Underwriters Salvage Corporation, vice-president, and L. D. Goulding, Jr., Fireman's Fund, secretary-treasurer. The club meets every Saturday noon at the Buffalo Hotel.

### Factory Association Shifts

W. H. Forristall, who has been special agent of the Factory Insurance Association in charge of the Buffalo office, has been transferred to headquarters in Hartford. He is succeeded in Buffalo by Special Agent C. S. Linde, who has been stationed in Providence, R. I., for the association.

### Kansas Meetings Held

The Kansas Fire Underwriters held its bi-monthly meeting in Topeka. The Kansas State Fire Prevention Association also met to develop plans for the year which will include several town inspections.

### Special Agent Carson Injured

E. P. Carson, Indiana special agent of the Continental and American Eagle, suffered a badly fractured ankle in an automobile accident near Tipton, Ind., and will be confined to the hospital for several weeks. Fortunately he escaped other injuries. He is in the Methodist Hospital at Indianapolis. The accident resulted from his car skidding on an ice-covered turn in the road.

### Gustafson with American Home

E. Philip Gustafson, formerly assistant and secretary of the Western & Southern Fire, and until recently with the Great American, has been appointed state agent of the American Home of New York with headquarters in Columbus, O.

### Bosdett Now in Charge

John A. Bosdett has been appointed supervisor of the interests of the Royal-Liverpool group in Oklahoma to succeed James E. Sharpe, who died suddenly early in January. Mr. Bosdett will be assisted by J. V. Keating and J. W. Hartney. Mr. Bosdett has been state agent of Royal, Queen and Newark.

Both Mr. Keating and Mr. Hartney are seasoned field men. Mr. Keating held responsible posts in turn at New Orleans, Atlanta and other southern centers. His connection with the Royal-Liverpool group dates from 1931, when he was appointed special representative for the Royal Indemnity and

the Eagle Indemnity. In 1934 he was named assistant production manager of the latter company. Mr. Hartney, son of agency Superintendent E. W. Hartney of the Chicago office entered the western underwriting department of the L & L & G in New York in 1929, being transferred to the metropolitan adjusting department two years later.

He had been associated with the special service department for the past year. Joseph P. Warek, connected with the western underwriting department since 1930, replaces Mr. Hartney in the special service division.

#### Bridges Is Dakota Speaker

L. H. Bridges, Chicago, assistant manager Home group, spoke to the Dakota Blue Goose at its annual midwinter splash in Aberdeen, S. D.

#### Travelers Appoints Hobbs

The South Bend office of the Travelers Fire has been made a branch with Dewitt Hobbs as manager. Mr. Hobbs has been assistant manager under State Manager A. B. Smillie, whose office is at Indianapolis. Several tiers of northern Indiana counties are included in the territory.

#### Tidrick with Home

Laurence F. Tidrick, Des Moines, is a new special agent for the farm department of the Home of New York. He, with C. S. Cathcart, will handle all of Iowa for the farm department. Mr. Tidrick goes to the Iowa field from Illinois, where he traveled for the hail department of the Inter-Ocean Reinsurance of Cedar Rapids for seven years. He is a native of Des Moines and will have headquarter there.

#### Connecticut Field Club Elects

John A. North of the Connecticut has been elected president of the Connecticut Field Club, succeeding J. W. Morrison of the Homestead. J. M. Cosgrove, National Liberty, is vice-president; A. L. Martin, Aetna Fire, treasurer, and H. J. Steneck, Home, secretary.

#### Chesley Attends Meeting

H. W. Chesley, assistant secretary of the Western Underwriters Association, attended the meeting of the executive committee of the Kentucky Fire Underwriters Association in Louisville this week.

#### Cooper with Union of Indiana

E. Dale Cooper has been appointed to travel northern Indiana for the Union of Indiana. He is a son of James Cooper of the Cooper-Houston agency of Logansport, Ind.

#### Crow Heads Oklahoma Club

R. W. Crow, agent Glens Falls, has been elected president of the Oklahoma Fire Underwriters Association with W. C. Lincoln, North America, vice president. Naming a new secretary to succeed the late James E. Sharpe was postponed until the next month.

#### Open House for Mardi Gras

The New Orleans Blue Goose held a banquet. It was decided to hold open house for visiting ganders during the Mardi Gras season.

#### Field Notes

**B. J. Feigenbaum**, attorney, addressed the San Francisco Blue Goose on "The Tax Situation in California."

**H. S. Nulton**, special agent Fidelity & Guaranty Fire for Virginia, West Virginia, Maryland and District of Columbia, has moved headquarters from Richmond to Washington, with offices in 503 District National Bank building.

The engagement has been announced of **G. G. Jefferson**, Virginia special agent National Union, and Miss Dorothy B. Sorg, daughter of J. E. Sorg of Richmond, president Millhiser Bag Company and Mrs. Sorg. It is expected the wedding will take place in the spring.

**B. J. George** of the Kansas City Power & Light Company talked this week to members of the Heart of America Blue Goose.

#### Savage, All Other Officers Reelected in New Orleans

NEW ORLEANS, Jan. 15.—Alexander M. Savage of the Savage & Savage agency was reelected as president of the New Orleans Insurance Exchange at the annual meeting. All other officers were reelected, they being L. M. Stone, Stone & Kessler, vice-president; Auguste Coiron, Janiver & Co., treasurer; L. F. Braud, secretary; executive committee, F. D. Reilly, George Wegman and E. M. Eanes.

President Savage reported that the

exchange now has 86 active and 171 associate members as compared with 89 active and 175 associate members a year ago. Mr. Savage remarked that the national and state agency organizations are of vital importance to the local exchange particularly in legislative work.

The annual banquet was attended by 150. The treasurer at that time reported the fiscal situation the best in history.

**S. D. Lennox**, formerly in the mining business in northern Minnesota, has opened an insurance agency at Crosby, Minn.

#### Pink Is Confirmed in Post by New York Legislature

NEW YORK, Jan. 15.—State senate unanimously confirmed appointment of Louis H. Pink as insurance superintendent of New York as successor to G. S. Van Schaick, who resigned last May. Mr. Pink was named by Governor Lehman at the time, the legislature not then being in session.

The **Newlin, Johnson & Noe** agency, 19 South Sixth street, Terre Haute, Ind., has been incorporated by C. C. Newlin, D. C. Johnson and R. A. Noe.



AS 1935 ends and a new year gets under way, signals are up for better business. Values are higher. More premiums are being written. Agents generally are busier.

How about your office? Can you use another good company? One that will give you real cooperation all along the line... that has the backing of long and varied experience... that offers financial strength and stability of first rank?

We like to feel that our present agents think well of us. At any rate, we shall be glad to refer you to some of them in your own state so that you can get an unbiased opinion.

Won't you write us so that we may send you their names... or send a fieldman to you if you prefer?

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Every type of property insurance for industry and the home.

## EDITORIAL COMMENT

### Turn Down State Project

THE OHIO ASSOCIATION OF INSURANCE AGENTS is to be congratulated on the splendid work it did in connection with the Sherrill government survey recommendation to set up a state fund for fire insurance on public buildings. The schools committee of the Ohio house killed it by a vote of 12 to 0. The same committee also crashed down on the proposal of the Sherrill committee to create a state fund to carry insurance on school buses. The Ohio association was able to marshal sufficient convincing arguments to defeat both projects. Local agents are patriotic and loyal citizens. They ask no particular favors and only demand that their rights be respected. They believe in the political philosophy that when private industry is not able efficiently, economically and satisfactorily to manage any particular endeavor and an injustice is being done to the people, then it should be the province of the state for the benefit of the public at large to take it over. There has been no question but that insurance has been conducted in a perfectly satisfactory way so far as the public is concerned. If there are injustices then it is the duty

of the state insurance department to step in and see that they are removed. During the last few months rates on public buildings throughout the central west have been reduced. Fire insurance companies reduce rates when experience over a representative period justifies that action.

The state government is burdened now with duties of all kinds without taking on additional lines that are without its natural province. State insurance funds come in direct competition with its own citizens in the insurance business. In many cases state fire funds have not been successful inasmuch as the state budgets its expenses rigidly and does not prepare for any unusual outlay. Sometimes the funds set aside for fire losses are transferred to some other state account and when the time comes to bring it into play it is not there or it is not large enough to meet the demands upon it. With the strict supervision of insurance on part of all the states so that they have complete control of the industry, it seems out of place for the state itself to engage in the insurance business when there is no justification for it.

### Insurance Companies and Taxes

ONE of the paramount subjects confronting insurance companies centers about taxes. It is a big subject for any individual or enterprise. It is peculiarly interesting to insurance companies because they are singled out for special taxation. They are not only subject to the usual taxes applied to corporations but the states levy on them as a distinctive class.

Superintendent PINK of New York in a recent address called attention to the fact that insurance must pay its fair contribution. It is idle to claim that insurance should not do this. Insurance companies are business organizations regardless of the benevolent and social agencies that they are. However, all that insurance asks is that the tax be fair and uniform. The burden should not be too great and insurance companies should not be subject to increas-

ing special taxes. Superintendent PINK took the position that the 2 percent premium tax levied on companies yields a considerable revenue and it cannot be regarded as harsh nor oppressive. In his opinion that should be the maximum tax levied on insurance in addition to the regular property tax. The 2 percent tax yields an income for the states probably ten times greater than used to maintain their insurance departments.

The states can assist greatly in bringing about uniformity so far as tax requirements are concerned. When some states increase their taxes, then the retaliatory laws are brought into play. This causes a bad feeling and frequently presents complicated legal problems. Different bases of taxation are not conducive to the best interests of the public nor insurance. A fair and uniform basis is desired.

### Standardizing Traffic Control

ENFORCEMENT of the recently compiled standards for uniform traffic control devices, according to ERNEST STURM, chairman of the FIDELITY & CASUALTY, would result in the saving of thousands of lives and millions of dollars in property damage annually. Complimenting the AMERICAN STANDARDS ASSOCIATION, AMERICAN ASSOCIATION OF STATE HIGHWAY OFFICIALS and NATIONAL CONFERENCE ON STREET HIGH-

WAY SAFETY for their work in preparing the standards, MR. STURM voiced the hope the code would have the support of state and local authorities everywhere.

While several years will likely elapse before the full effect of the new code will be apparent, benefits may be looked for speedily, increasing in extent with their growing application. Lack of uniformity in present signal devices and in their op-

eration, causes confusion to motorists and is accountable for numerous road accidents.

The new manual for uniformity covers practically every known traffic device. Motorists on a through highway, the review committee appreciated, are inclined to speed in spite of all regulations, hence the effort

of the committee to deal with conditions as they exist, rather than seek to attain an ideal state. The suggested regulations are easy of compliance and if made effective by communities will cost relatively little, while the gains would be substantial. It is a project worthy of support.

### Analysis of Automobile Accidents

IN ANALYZING the automobile death toll for last year as given in the survey made by the TRAVELERS, one is impressed with the fact that there should be a definite procedure in every state to penalize the driver who may not be the owner of the car and furthermore there should be more drastic action taken by the courts for violation of automobile traffic regulations especially where they are gross.

For instance, in taking the automobile accidents last year the TRAVELERS finds that two-thirds are due to driving errors. When one compares this experience with that of 1934 it seems evident that there is greater carelessness on the part of drivers. Some 23 percent of the accidents

were due to excess speed and deaths from this cause amounted to 31 percent of all the fatalities. Last year there were 7,400 people killed in which automobiles were driven on the wrong side of the road. The TRAVELERS points out that of the total of 864,000 people injured and not killed by automobiles, 560,000 last year were the victims of dangerous driving practices.

When one therefore gets down to bed rock and has the stark figures staring him in the face showing that so many of these accidents could have been avoided by care and good judgment, we are disposed to join that group and insist on far more rigid penalties, especially in case of violations of this character.

### PERSONAL SIDE OF BUSINESS

**Benjamin C. Hinig**, age 55, president of the Hinig-Bixby Company of Cleveland, leaped to his death from the company's offices on the seventh floor of an office building. He was associated with the insurance business for 35 years.

**William M. Frink**, general agent of the Norwich Union Fire at New York, is on a business trip in the south and will go as far as New Orleans.

**E. F. Miller** has started his second half century as an employee of Reed, Parker & Co., oldest St. Paul agency. He joined the pioneer agency of Weed & Lawrence in 1886 as errand boy, later being clerk and then solicitor, which position he has held 35 years.

**Charles Taylor**, agent of Booneville, Ind., was elected president of the Indiana State Board of Agriculture.

**Alfred L. Merritt**, Pacific Coast manager Pearl Assurance, was guest of honor at a dinner tendered by his staff in celebration of the first anniversary of the establishment of the department. The offices were opened with a staff of 10 and at the close of 1935 there were 55 employees. David A. Barry, assistant manager, acted as toastmaster.

**H. T. Freeman**, president of the Manufacturers Mutual Fire of Providence, R. I., has distributed a valuable book entitled "The Factory Mutuals—1835-1935." Primarily it is a history of the original company, the Manufacturers Mutual, during its first hundred years. It has been enlarged to comprise a comprehensive history of the operation of the factory mutuals. Indeed it goes back to the early beginnings of insurance in Italy and London and then takes up the early movements of insurance in this country. Special attention is given then to the Manu-

facturers Mutual and its associated companies in the mill mutuals class. In the historical sketch it tells of the early stock companies in the United States. The book is 384 pages and is freely illustrated.

The main chapters deal with the birth of insurance and early companies, the first quarter century 1835-1860, the second quarter 1860-1885, the third quarter 1885-1910, and the fourth 1910-1935. A chapter is devoted to the development of fire protection and mill construction, the development of the automatic fire extinguishing system, the inspection department, policy forms and then some biographical sketches.

**A. Charles Berger**, local agent at Troy, N. Y., died last week. He had been in business for 15 years. The business will be operated by the widow and by Arthur F. Bliss. Single-handed, Mr. Berger built a casualty premium income of \$88,000 in one year.

A testimonial dinner will be tendered to **William H. Kelly**, former insurance commissioner of New Jersey by the Kelly Pilgrims at East Orange, N. J., Jan. 25. Among the speakers will be C. A. Gough, first deputy commissioner, and Walter Snedeker, chief of the license division.

**John R. Fordyce, Jr.**, of Fordyce, Ledbetter & Co., will be married to Miss Mary Downs Lander of Little Rock, Ark., Feb. 1.

**R. P. De Van** of Charleston, W. Va., well known local agent and former president National Association of Insurance Agents, is slowly recovering from his severe illness at his home 2005 Quarrier street. Mr. DeVan had a very severe experience and only last week started to write a few letters in answering some that had come to him from insurance men in all sections. He has

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been cheered by these messages of good will. He has been laid up for two months and is still confined to his bed. Mr. DeVan asks THE NATIONAL UNDERWRITER to express his appreciation of the sentiment that insurance men have conveyed to him.

**Abel M. Wood**, aged 72, grand old man of the eastern department of the Fireman's Fund, died in Boston. He was second assistant manager at the department headquarters, had been more than half a century with the company, starting as an office boy. He served as president of the New England Insurance Exchange in 1921.

**C. Curtis Macy**, vice-president of Appleton & Cox, Inc., prominent marine underwriter and considered one of the best posted men in the country on inland marine insurance, died of pneumonia at his home in Rutherford, N. J. Mr. Macy first entered the insurance business in 1899 with Johnson & Higgins in New York City and after advancing through various positions with that firm he became, in 1919, manager of the marine department of George S. Kausler, Ltd., of New Orleans. He remained with that firm until he joined Appleton & Cox, Inc.

Mr. Macy was active in the formation of the Inland Marine Underwriters Association and was the first chairman of its executive committee, serving two terms through its organization period and at the time of his death was a member of all the association's important committees. He was also a director of the Westchester Fire.

**R. H. Gregg** of Peoria, Ill., special agent of the Crum & Forster companies, and Mrs. Gregg are receiving the sympathy of their friends in the loss of their infant daughter, Shirley, who died suddenly.

**James C. Powers**, sprinklered risk inspector Ohio Inspection Bureau 17 years, died at his home in Cincinnati after a 15 month illness. He was 56 years old. Prior to his connection with the bureau he traveled for the Western Factory Insurance Association.

**George Lloyd** of New York, manager of the Aero Insurance Underwriters, has been on a business trip to Chicago and Kansas City. He was accompanied by his new bride, who was formerly Martha Boswell of the well known Boswell sisters radio team.

At the funeral of **Mrs. Fred C. Schad** of Western Springs, Ill., wife of the secretary of the Western Insurance Bureau, H. A. Clark, western manager of the Firemen's and president of the bureau, and R. S. Danforth, secretary of the Millers National, attended on behalf of the organization. R. L. Rumbaugh, manager Western Sprinkled Risk Association, represented that body at the obsequies.

**James E. Sharpe**, special agent for the Liverpool & London & Globe in Oklahoma, who died at his hotel Dec. 31, was taken to Burlington, N. C., for interment. Special Agent John A. Bosdett of the Royal of Oklahoma accompanied the remains to Burlington. His brother is Charles V. Sharpe, local agent at Burlington.

**William M. Campbell**, chief clerk Louisiana Insurance Commission, is dead. A native of Tennessee, Mr. Campbell went to Louisiana in 1907 and three years later he went to New Orleans as a member of the commission. He was state fire marshal from 1917 to 1922 and for eight years was connected with Emery & Kaufman.

**J. G. Maconachy**, vice president Fire Association, is visiting the western department at Chicago conferring with Manager A. F. Powrie and his associates. Mr. Maconachy is one of the veterans in the business. He was for-

## REJECTED RISKS

### Heat in North Woods South and North Are One Cease Worrying Rider

"Heat Prostration Held to Be Accidental Death by the Court" was the headline over the decision of the Wisconsin supreme court rendered on one of the coldest days of the winter.

Both ends of the compass—H. W. South has joined the T. T. North Adjustment Company in Chicago.

Favorite and exhilarating pastime—Reading over the list of salaries published in the daily papers given out by the Washington authorities.

C. T. Podhaisky, who signs himself "Slow Agent," from Alliance, Neb., in paying his balance to the Scottish Union & National for August and September attached a cease worrying endorsement, it being as follows:

(Cease Worrying Endorsement)  
In consideration of \$32.37 being nets for the months of September and October of 1935, it is agreed and must be understood that this endorsement is being attached to relieve one Gordon Beals, state agent of the good ol' Scottish from any further responsibility and grief for said year of 1935, so far as this agency is concerned.

Attached to and forming a part of continued support, because conditions have changed.—Chas. T. Podhaisky, Slow Agent.

merly secretary of the Niagara Fire and in that connection came in contact with O. E. Lane, president of the Fire Association, who was head of the Niagara. He served as manager of the automobile department at the head office of the Firemen's. He was previous to that agency superintendent of the Newark. In days gone by Mr. Maconachy was vice-president of the old Union of Philadelphia. He has had a wide experience.

**C. N. Fowler** of Hartford died of a complication of ailments due to age, he being in his 86th year. He retired as cashier at the head office of the Scottish Union & National in 1927, but he maintained his association with the company dating from 1880 until December, 1934. He was a typical New Englander of the old school. He was held in high esteem by his associates at the Scottish office. He was widely known in Hartford for his civic and school work.

**W. J. Storen, Jr.**, secretary and treasurer of the Hibernian Mutual of Charleston, S. C., is reported to be in critical condition after having shot himself while seated in an automobile in Charleston. The Hibernian Mutual in 1934 had \$11,000 in premiums and \$376 in losses.

**Gilbert A. Russell**, second vice-president of the Hartford Fire and a man who had been in the fire insurance business since 1887, died at his home in West Hartford, Conn., at the age of 69 following a long illness. He had been confined to his bed for six weeks.

Mr. Russell was born and educated at Ellenville, N. Y. Charles H. Post, who was for many years United States manager of the Caledonian, grew up in Ellenville and started a good many local boys in the insurance business. Mr. Post, who was then general agent of the old Washington Fire & Marine, in 1887 gave Mr. Russell a job in that office.

A year later the Washington F. & M. was reinsured in the Niagara Fire and Mr. Russell went with the reinsuring company. He served as special agent for the Niagara from 1892 until 1897. In that year he joined Weed & Kennedy of New York, remaining five years. In 1902 he became special agent of the

Citizens in the middle department field. The Citizens by that time had come under the control of the Hartford Fire. He was called to the home office of the Hartford in 1925 and named assistant secretary. He was appointed secretary in 1925 and second vice-president some years later.

Mr. Russell served as president of the Underwriters Association of the Middle Department in 1905 and 1906. He was one of the original founders of the middle department and the author of the middle department rule book. He served as president of the Rain Insurance Association in 1925-1926, president of the Eastern Tornado Association in 1928-32 and for some time was a director of the General Adjustment Bureau.

**J. W. Gregory** of Freeport, Ill., assistant western manager of the Crum & Forster group, is sojourning in Miami Beach with Mrs. Gregory and their son,

Gordon, who is a student at the University of Illinois, during the month of January.

**G. R. Packard**, board chairman of the Philadelphia insurance agency of Stokes, Packard & Smith, died at Atlantic City after a long illness. He was 63 years of age. He was one of the founders of the Lumbermen's of Philadelphia.

### Lafayette Fire Party

NEW ORLEANS, Jan. 15.—Several hundred friends of the Lafayette Fire were entertained at a dinner with John X. Wegmann, president, as host. This is an annual custom since the organization of the company in 1869.

**J. D. Logan**, assistant superintendent of agencies, Toronto, and **L. B. Epper**, St. Louis marine special agent, visited the home office of the St. Paul Fire & Marine.

## HAVE YOU SEEN . . . ?

. . . the new booklet on bank financing of automobile purchases called "A Profitable Thought, Mr. Banker"? This plan will bring automobile premiums to your office in important volume.

Long ago we realized that automobile buyers get more satisfactory service if their automobile insurance is all written by their own local insurance agents. Study of the subject convinced us that buyers will get far better financing service by borrowing directly from their local banks. So we put the results of our discussion and study of automobile financing into a booklet for bankers. It gives a practical, profitable, eminently safe and sound way for commercial banks to write the individual automobile paper.

Set forth in this booklet, in a conversation between a typical agent and a typical commercial banker, is a message you should deliver personally to your banker. You and he will both profit from it. Send for your free copy today.

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Action of Ohio Department

Asks Cooperation of Agents in Eliminating Undesirable Agents and Unauthorized Companies in State

COLUMBUS, O., Jan. 15.—The Ohio insurance department has sent letters to secretaries of various associations in the state seeking their cooperation in the department's effort to refuse licenses to agents who have left agencies owing balances. The department says that general agents and managers of fire, life and casualty companies have asked that investigations be made and that licenses be withheld or canceled where the agent has made no attempt to reimburse the agency for balances due. Where there is an unpaid balance, the general agent or manager should notify the department, it says, that there is a shortage or something to that effect.

#### Unauthorized Insurance

The support of the agents also has been asked in the movement to stamp out unauthorized insurance in the state. They are asked to be on the alert for advertisements in the newspapers or over the radio, of any company not authorized to do business in the state. The department also asks for information regarding any individual who may solicit insurance in a non-licensed company. It says that residents of Ohio are being defrauded out of hundreds of thousands of dollars in premiums by these "fly-by-night" companies.

### Minnesota Mutuals Ask Fire Coverage on Larger Cities

ST. PAUL, Jan. 15.—Township mutual companies in Minnesota want the right to write fire insurance on dwellings in towns and villages up to 5,000 population and the legislature will be asked to amend the laws accordingly. Under present laws these companies may write only in towns up to 1,000 population.

At the annual meeting of the State Association of Farmers' Mutual Insurance Companies of Minnesota, a resolution to this effect was adopted. The association also went on record of amending state laws to make it possible to prosecute an arson suspect at any time, regardless of how much time has elapsed since the fire. Under present laws prosecution is outlawed after three years. Another resolution of the association was a request that the state automobile liability law be amended so as to relieve the driver of liability for injury to a guest passenger. John Engebretson, Kenneth, Minn., was elected president to succeed D. P. O'Neill, Minneapolis.

### Objects to Lincoln Hail Report

LINCOLN, NEB., Jan. 15.—Insurance Director Smrha has filed objections in court to approval of the report of Receivers Wood and Witzelberg for the Lincoln Hail. He claims that the receivers paid salaries and expenses in part from the loss fund, that they failed to make collections as promptly as he believes should have been done, and that they did not push litigation started against officers of the company to recover moneys alleged to have been improperly used and against a bank that permitted use of loss funds to pay company expenses.

The S. J. Christie Co., Detroit, has been incorporated by S. J. Christie, Mae Christie, and A. J. Christie, Jr.

### Refunds Involve Much Labor

#### Distribution of the Impounded Premiums in Missouri Will Not Be Started Until June

KANSAS CITY, Jan. 15.—Distribution of more than \$10,000,000 impounded by the federal court in the fire and windstorm rate litigation here can hardly be started before June, in the opinion of Homer Berger, company attorney.

The amount impounded between May 1 and Nov. 11, 1935, has to be checked for cancellations. This was not done, as in the case of the other impoundings, because companies sought permission from the court to return the premiums in excess of a 100 percent rate, rather than have the distribution follow the course decided on in the case of preceding impoundings.

#### Three Computations Involved

After the total amount impounded against each policy is figured, the custodian must also put the premium amount represented by 3,500,000 policies through three computations before distribution can be started. This means 10,500,000 separate computations. The computations are: one-fifth of the total accretions from interest and security appreciation during the impounding period, which goes to policyholders in addition to 20 percent of the amount impounded; one-fifth of the amount impounded against the policy, and the addition of the two.

Interest on the impounded fund and increase in bond valuations total between \$300,000 and \$400,000, according to Mr. Berger. What remains after the

### Old Indianapolis Firms Have Been Consolidated



FRED G. APPEL

Two of the oldest local agencies in Indianapolis, Gregory & Appel, organized in 1885 and C. F. Sayles & Co., organized in 1872, have been merged, continuing under the name of the former. John E. Milnor, connected with the Sayles agency for 50 years, will now be associated with the Gregory & Appel agency. Fred G. Appel is president and manager of Gregory & Appel and son of one of the founders. This merger makes that office one of the largest local agencies in the middle west.

policyholders are paid 20 percent of it probably will go to the companies. The custodian has been paid \$750 a month plus expenses, and this has currently come from the interest earnings of the fund.

It is possible that some additional expenses will come out of the earnings.

Final orders in the case are expected when the three judges are in Kansas City at the same time, possibly within the next few weeks.

### Michigan Agents Midwinter Meeting in Lansing, Feb. 15

The midwinter meeting of the Michigan Association of Insurance Agents, to be held in Lansing, has been scheduled for Sat., Feb. 15, George Brown, executive secretary announces. Local arrangements are in the hands of a committee of the Lansing association headed by C. B. Smith, member state governing committee for that district and past president.

The meeting will be a floor discussion session without set speeches or formality. Such topics as late developments in automobile insurance and policies, the state fund, the social security act as it affects agents, and the difficulties being experienced with the gasoline wholesalers' tax bonds are on the program, with other current problems.

#### Want a Slice of Cake

KANSAS CITY, Jan. 15.—Three more lawyers have joined R. M. Sheppard, Kansas City attorney, in asking a slice of the premiums impounded in federal court here as a result of the fire rate litigation. W. G. Lynch, Walter Gresham, and F. M. Kennard have filed a joint claim for \$35,000 in fees, suggesting that they should be paid that much for their services to policyholders they represented and who had intended, but didn't, intervene in the risk case litigation. Mr. Sheppard, who injected the intervention issue into the litigation here, has asked for \$25,000.

#### Detroit Has Fewer Fires

Detroit had fewer fires in 1935 than in 1934, but the total property loss was heavier. There were 10,277 fires last year as against 12,238 in 1934 but the loss amounted to \$3,750,000 in 1935 as compared to \$2,059,034 in the previous year. Fires in 1935 resulted in injuries or death to 254 persons. Losses decreased during the last quarter of the year, however, when there was not a single blaze requiring more than one alarm.

#### Women's Group Organized

ST. PAUL, Jan. 15.—At a dinner meeting the organization of the St. Paul Association of Insurance Women was completed by adoption of constitution and by-laws. The value of such an organization was stressed by L. C. McGee, St. Paul manager Aetna Casualty, in discussing "Fundamentals of Insurance."

#### Hear Prospect's Point of View

TOLEDO, O., Jan. 15.—N. L. Schmid, vice-president and sales manager Woolson Spice Company, addressed the Mutual Fire & Casualty Association of Northwestern Ohio on "Sales Methods of Insurance Men as I See Them from the Other Side of the Desk." New officers of the association are: L. H. Tucker, Central Mutual of Chicago, Toledo, president; W. D. Pearce, Pearce agency, Fremont, vice-president; C. I. Boyd, Grocers Mutual, Toledo, treasurer; M. P. Jeffreys, Michigan Mutual Liability, Toledo, secretary. The executive committee includes V. H. Sage, Lumbermen's Mutual, past president; W. R. Boyd, Grocers Mutual; W. J. Flamand, Inter-

### Oppenheimer Made Head of Chamber Committee



GEORGE OPPENHEIMER

KANSAS CITY, Jan. 15.—George Oppenheimer of the Oppenheimer Brothers agency has been named head of the insurance committee of the chamber of commerce, succeeding Cliff C. Jones.

state Mutual agency; C. C. Dussel, Dussel agency; R. B. Keller, Michigan Mutual Liability; O. J. Marsh, Interstate Mutual agency; R. A. Shenefield, State Auto Mutual, all of Toledo, and D. K. Grisier, C. P. Grisier agency, Wauseon.

The committee chairmen are as follows: Membership, Mr. Grisier; legislative, Mr. Shenefield; program, Mr. Dussel; entertainment, Mr. Keller, and finance, Mr. Sage.

#### No Indiana Day Plans

INDIANAPOLIS, Jan. 15.—W. J. Henshaw, vice-president of the Insurance Federation of Indiana and chairman of Indiana Insurance Day, states that it has not been decided to hold the event this year. It has been the custom to hold Indiana Insurance Day in January but, as this is an off year for the state legislature, the interest has appeared to be lukewarm. It may be held at a later date, however, but nothing definite has developed thus far.

#### Catalog All Policies

More than 30,000 life policies on file with the Minnesota department have been cataloged and filed under a new system in the past month. A staff of 25 men under direction of Ted Abrahamson of the department is working on casualty policies and then will take up fire policies. They are the sample policies which have been filed by companies over a long period of years and under the new filing system can be easily referred to.

#### Predicts Lower Fire Rate

Col. W. D. DeRohan, National Board engineer, has predicted that Indianapolis will have a lower fire insurance rate after he presents a report of his survey next spring. He met with Mayor John Kern, the fire chief and members of the Indianapolis Board of Public Safety and told them that conditions are so satisfactory he feels certain his board will reduce the rate. Col DeRohan and two other board engineers have completed a nine-week survey, including inspection of water facilities, struc-

tural conditions and electrical hazards and study of records in the office of the fire chief.

Summary of the survey shows fire department personnel rating as excellent and the apparatus in good repair, although some of it is old. The five year period fire loss ending Dec. 31 shows an average of 960 fires a year, but only 613 in 1935 as compared to 1142 in 1932. Total loss for the five years was \$2,203,623 for an average loss in each fire of only \$359, and an annual per capita loss of \$1.20.

#### Cincinnati Agents Meeting

C. M. Cartwright, managing editor of THE NATIONAL UNDERWRITER, Chicago, will address the Cincinnati Fire Underwriters Association Jan. 23 on "Looking On From the Outside." The nominating committee has selected the following governing committee which will be acted upon at that time: C. A. Meyers, Frederick Rauh, Theodore Safford, Walter Alexander, W. P. Dolle.

#### Smrha Issues Hail Order

LINCOLN, NEB., Jan. 15.—Insurance Director Smrha is sending out notices of requirements with which all hail assessment companies operating in Nebraska must comply in order to eliminate excessive acquisition costs and improve collections. These are to correct many objectionable practices and resulting conditions which Mr. Smrha believes are the outgrowth of competition for agents and business, which has resulted in inadequate underwriting and

#### Completes 35 Years as Insurance Man in Indiana



EDWIN H. FORRY

Edwin H. Forry, prominent Indiana insurance man, has just completed 35 years in the business. He started as a field man, and was special agent of the New York Underwriters and Grand Rapids Fire before becoming an agent in Indianapolis. He has been active in association work, assisting in organization of the Indianapolis Local Board in 1901 and serving on its executive committee 26 years.

He became a member of the National Association of Insurance Agents in 1904, of which he was a vice-president for several years. He was president of Indiana association two years and, while he was in office the National Association of Insurance Agents met in Indianapolis. He rarely has missed an annual meeting of either the state or national associations.

Mr. Forry assisted in organizing the Indianapolis Salvage Corps and has been secretary and director 22 years. He is vice-president insurance committee, Indianapolis Chamber of Commerce.

a lack of proper restrictions upon agents and their activities.

#### Report Made on St. Paul

The National Fire Protection Association reports that at St. Paul, Minn., the fire department is engaged in a special campaign of fire prevention inspection of all dwellings by the firemen following widespread advance publicity. The fire chief reports that a substantial benefit is already indicated in greatly increased amounts of rubbish collected from private homes and in a sharp reduction of fire alarms.

#### Receiver for American Lloyd

OMAHA, Jan. 15.—Insurance director Smrha of Nebraska has been named receiver for the American Lloyd Mutual. The insurance department had filed a petition charging that the company had liabilities amounting to more than \$1,000,000 and that the company was unable to pay a claim for \$3,375.

#### Speaks at St. Louis

Willard C. Anderson, St. Louis, superintendent Missouri Inspection Bureau, spoke on "Application of the New Fire Insurance Rates" at a meeting of the Associated Fire Insurance Agents & Brokers of St. Louis this week.

#### Minneapolis Club Meets

MINNEAPOLIS, Jan. 15.—Cost of operation of a large insurance company was discussed at the meeting of the Insurance club of Minneapolis by William Quaid, vice-president of the Home. He gave a new and interesting insight into the fiscal affairs of a large company, showing what it costs to maintain a large and efficient home office staff as well as to build up a profitable agency system. Weeks & Jackson, Home fleet agents, had charge of the program.

#### Rockford Board Dinner

The Rockford, Ill., Board of Fire, Casualty & Surety Underwriters will give a dinner the evening of Jan. 28 at which time members of the Illinois Fire Prevention Association will be in the city to give an inspection the next day. J. J. Beattie of the Camlin Agency is president of the Rockford Board. The dinner will be in tribute to the field men.

#### Weed Out Licenses

Of the 7,000 agents who have qualified for relicensing in Indiana 1,800 write health and accident only and 1,600 write nothing but automobile insurance. This leaves 3,600 agents in the fire and casualty classifications, as the life agents have until March 1 for relicensing. Three years ago 13,000 agents other than life were licensed, or 6,000 more than are licensed in the same category this year.

#### Wesley Opens Own Agency

Ralph P. Wesley has opened an agency in his own name at Hutchinson, Kan., with offices in the Nelson building. Mr. Wesley has been an active member of the Hutchinson Board, serving as secretary one year, while associated with Wade Patton & Co.

#### Columbus Mutual Congress

With 1,000 in attendance, the State Automobile Mutual held a sales congress at Columbus. It was the largest meeting the company has ever held. Speakers included General Manager Robert S. Pein; J. E. Gheen, New York; Norman Imrie, Columbus, and W. H. Drane Lester of the U. S. Department of Commerce.

#### Iowa Federation Meet

The insurance department of the Iowa Farm Bureau federation held its state convention at Des Moines with G. J. Mecherle, president State Farm Mutual, Bloomington, Ill., and Morris Fuller and F. C. Snapp, vice-presidents, attending. J. S. Jones, secretary-treasurer Minne-

sota Farm bureau, and John Speidel, deputy insurance commissioner, spoke.

#### Wichita Insurors Meet

The Wichita Insurors voted to extend the Kansas association an invitation to hold its annual convention in Wichita in October. Captain Don Hays and Detective O'Conner of the Wichita police department were guests and discussed methods of recovering stolen jewelry. A demonstration of a proposed Park-O-Meter system for Wichita was given by H. F. Reg of Oklahoma City.

#### Kansas Department Report

Collections of the Kansas insurance department in 1935 totaled \$1,009,850 in taxes and fees, the sum exceeding the \$1,000,000 total for the first time since 1932.

#### Square Deal Mutual Meets

C. F. Morgan was reelected president of the Square Deal Mutual Hail at the annual convention in Des Moines. He reported the association increased its Iowa business more than 50 percent last year, assets increasing \$45,000.

#### Cincinnati Agency Active

The Insurance Office, Inc., Cincinnati, which received its charter several

months ago, is now actively in business. The agency is Hamilton county agent Northwestern National and Northwestern National Casualty. H. W. Richardson is president. He formerly operated the Richardson Company, Los Angeles agency. He will establish his office in the First National Bank building.

#### Milwaukee Patrol Meets

Following the January meeting of the Milwaukee Board, the annual meeting of the fire insurance patrol was held.

#### Reports Business Increase

Increase of 70 percent in fire and windstorm business written last year, and gain of 20 percent in automobile insurance was reported by W. A. Rutledge, secretary Farmers Mutual Hail, at the annual meeting. Hail loss was light in 1935 in Illinois, Wisconsin and Iowa, but heavy in Nebraska. Tornado losses were heaviest in North Dakota—the rest of the area being light. Perry Rutledge was reelected president and Mr. Rutledge reelected secretary.

Two new Indiana agencies have been incorporated: the **City Insurance Agency**, 542 North Meridian street, by E. P. Gallagher, Elizabeth Carnell and Virginia Ott; and the **O. S. Bruner Agency**, 845 Illinois building, by O. S. Bruner, L. J. Moran and Ann Duvalle.



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Will Wrighten  
Field Correspondent



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**IN THE SOUTHERN STATES****License Form in Oklahoma**

**New Permit Requirements Now Being Mailed to Several Thousand Agents in State**

OKLAHOMA CITY, Jan. 15.—New forms containing special provisions with which "special agents," "policy-writing agents," and "soliciting agents" in fire and casualty must comply before they will be granted permits are being sent to applicants besides the several thousand agents already registered with the state insurance department. This is the first time provisions have been inserted in an agent's application for permit, and has been perfected after much consideration by the state insurance board.

For a number of years complaints have been made to the insurance department of alleged disadvantages to which many agents were subjected. Employees of larger corporations that handled property subject to insurance coverage, building and loan associations, and others, it was alleged, handled insurance in addition to their private employment. This was placed before the state insurance board and the latter made an investigation.

**New Application Form**

The result is the new form of application for the prospective agent. One of the questions, "have you been in business for yourself in the past five years?" would cover past associations, while the next "have you ever been convicted of a felony?" gets closer to the fibre of the expectant insurance solicitor. Then the board wants to know if the applicant has ever been licensed to write insurance in any other state, and inquires what three companies the applicant may have worked for.

In order to further protect the prestige of its own permits, the board wants to know if the applicant is indebted at the time of making the application "for any premiums over 90 days old, to any insurance company or agent," and also if the applicant may be indebted to any insurance company or agent in a personal or business way.

**Motive for Application**

Covering the most important feature of the complaint communications to the board, however, is the question: "If engaged in any other business, is your application for license actuated in whole or in part by the desire to save for yourself, your relatives, or for your employers the commission you are in position to control by reason of your other business?"

There are other considerations the applicant must ponder and true answers are required. He must be thoroughly conversant with the Oklahoma insurance laws and must comply with them in every respect.

**Discuss National Meet Plans**

ATLANTA, Jan. 15.—Plans for the forthcoming mid-year convention of the National Association of Insurance Agents to be held here the week of April 5, were discussed at the monthly dinner of the Atlanta Association of Insurance Agents here.

President Irwin Wootten presided and the following committee chairmen were announced: General committee, J. A. North; finance, H. J. Haas; entertainment, Milton Dargan, Jr.; publicity, C. A. Rauchenburg; registration, Irwin Wootten; golf, F. L. Fowler; automobile, D. I. MacIntyre; reception and information, Julian Thomas.

Mrs. M. B. A. Lafferty, who died in Richmond was a daughter of the late T. L. Alfriend, founder of the Richmond agency of T. L. Alfriend & Son, and a sister of O. M. Alfriend, now head of the agency.

**Kennedy Sues to Get License**

**Member of Kennedy & Ely Agency, Miami, Brings Action in Florida Supreme Court**

TALLAHASSEE, Jan. 15.—W. G. Kennedy of the Kennedy & Ely agency of Miami has brought an action in Florida supreme court to compel Commissioner Knott to renew his agent's license. Commissioner Knott refused to renew the licenses of the other members of the agency as well, but the action in Mr. Kennedy's name is the only one that is being prosecuted. Undoubtedly if the supreme court orders the commissioner to renew Mr. Kennedy's license, the commissioner will renew the licenses of the other members of the agency.

Some time ago the insurance department started to examine the books of the Kennedy & Ely agency. This, the agency resisted, and the circuit court at Miami, in biting terms issued an injunction restraining the commissioner from pursuing the examination. Subsequently when the licenses came up for renewal in October of 1935, the commissioner held two hearings and in December he advised the companies represented by Kennedy & Ely that the licenses of the agency members were not being renewed.

**Publicity Plan Is Adopted**

**West Palm Beach Agents Form Organization, Authorize Year's Advertising Program**

WEST PALM BEACH, FLA., Jan. 15.—Following the highly satisfactory experience of the Tampa Insurors Association in carrying on an advertising campaign in newspapers, agents of this section enlarged scope of the local board by incorporating under the name of the Insurance Board of the Palm Beaches, and voted to run a weekly ad for the next year. They adopted the Tampa slogan, "Good Insurance is Not Cheap and Cheap Insurance is Not Good." They will list names of board members, and receipts from the business of the

**Reelected**

C. D. HARRIS

C. D. Harris was reelected president of the Louisville Board at its annual meeting. M. W. Boedecker is vice-president and P. B. Bethel, secretary and treasurer. Mr. Harris is head of the C. D. Harris Sons Co.

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cident and several other companies.  
Equipped to handle adjustments, investiga-  
tions, settlement of claims all over Nevada.

## NEW JERSEY

### ANDREW J. WHINERY

744 Broad Street

Newark, New Jersey

### WILLIAM L. RAE

1 Exchange Place

Jersey City, N. J.

Representing Exchange Mutual, Indemnity &  
Ins. Co.

## MISSISSIPPI

### WELLS, WELLS AND LIPSCOMB

9th Floor Lamar Life Building

Jackson, Mississippi

Representing Hartford Acc. & Ind. Co., Fireman's  
Fund Ind. Co., Continental Cas. Co., Market Serv-  
ice, Inc., Loyalty Group and many others on request.  
Equipped for investigations, adjustments, and trials  
all over state.

### WILBOURN—MILLER & WILBOURN

Citizens National Bank Bldg.

Meridian, Mississippi

Equipped for investigations, adjustments, settlement  
of claims, trial of all insurance cases in State and  
Federal Courts in Eastern Mississippi.

## MISSOURI

### STRINGFELLOW & GARVEY

Donnell Court  
St. Joseph, Missouri

Counsel for: Standard Accident: Zurich; Globa-  
l Life and Gen. Acc. Ind. Co.; Lumbermen's Mut.;  
Liberty Mut.; General Accident; Preferred  
Accident; Am. Motorists; Farmers Auto. Inter-Ins.  
Exch.; Indemnity Ins. Co. of N. A.; T. H. Martin  
& Co.; Ohio Casualty Co.; National Casualty Co.;  
and more than 50 other companies.

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## NEW MEXICO

### N. CAROLINA (Cont.)

### OHIO (Cont.)

### OKLAHOMA (Cont.)

#### RODEY & DICKASON

1st National Bank Building  
Albuquerque, New Mexico

State counsel for various life, casualty and fire insurance companies. Trial of cases in all courts of New Mexico, State and Federal. Insurance client references given on request. Adequately equipped for adjustments and investigations.

#### CHARLES HUNDLEY GOVER

505-511 Law Building  
Charlotte, North Carolina

Representing Employers Group, Hartford Acc. & Ind. Co., Standard Acc. Ins. Co. and others. Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments in western North Carolina.

#### CABLE & CABLE

Masonic Building  
Lima, Ohio

Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila. Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

#### Allen, Underwood & Canterbury

Fifth Floor Oklahoma Building  
Tulsa, Oklahoma

Representing  
Home Indemnity Co., Employers Liability Assurance Corp. Equipped to handle trials of insurance cases in Eastern Oklahoma.

#### WILSON & WATSON

Santa Fe Plaza  
Santa Fe, New Mexico

American Surety Co. of New York, Maryland Cas. Co., Trial of Cases in all courts of New Mexico, State and Federal.

Members of Firm:  
Francis C. Wilson John C. Watson

#### EDGAR D. BROADHURST

Banner Building  
Greensboro, North Carolina

Equipped for adjustments. Trial of insurance cases in State and Federal Courts.

#### HOLLOWAY, PEPPERS & ROMANOFF

821 Board of Trade Building  
Toledo, Ohio

United States Fidelity & Guaranty Co. and others. Trial of Cases. Surety and Casualty, complete investigation and adjustment service. Insurance trial work in all courts.

#### GIBSON, MAXEY & HOLLEMAN

325 Exchange National Bank Bldg.  
TULSA, OKLAHOMA

Equipped to handle claims, adjustments and trial of all insurance cases.

## NEW YORK

#### BOND, SCHOENECK & KING

1400 State Tower Building  
Syracuse, New York

Counsel for many Insurance Companies  
Equipped for Investigations and Adjustments in Syracuse and surrounding territory.

#### BURGESS, BAKER & ALLEN

The Raleigh Building  
Raleigh, North Carolina

Sun Ind. Co., Royal Ind. Co., Globe Ind. Co. and others. Investigations, adjustments and trial work in Central and Eastern North Carolina.

#### Barnum, Hammond, Stephens & Hoyt

807-812 Mahoning Bank Building  
Youngstown, Ohio

Adjustment Department  
W. Carlton Young in Charge  
Auto-Fire-Theft-Collision-Liability  
Property Damage-Marine-Burglary

#### HUDSON & HUDSON

707 Ritz Bldg.

Tulsa, Okla.

#### LEE, LEVENE & McAVOY

TRIAL LAWYERS  
310 Security Mutual Bldg.  
BINGHAMTON, NEW YORK

Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

#### Waters, Andress, Wise, Roetzel & Maxon

1110 First Central Tower  
Akron, Ohio

Representing Aetna Life Ins. Co., U. S. F. & G. Many others given on request. Trial of all kinds of insurance cases in State and Federal Courts and in surrounding territory.

#### OKLAHOMA

#### Abernathy & Howell

LAW OFFICES  
First National Bank Bldg.  
Oklahoma City, Okla.

Representing Royal Ind. Co., Eagle Ind. Co., Gross American Ind. and others. Equipped for investigations, adjustments, trial all insurance cases.

#### OREGON

#### Collier, Collier & Bernard

Suite 1228 Spalding Building

Henry E. Collier John A. Collier  
E. F. Bernard  
Portland, Oregon

#### ACKERMAN, LEVET & GEILICH

175 Main St.  
White Plains, N. Y.

John J. Ackerman William B. Levet  
Ralph Geilich

#### JAMES A. CULBERTSON

914 First National Bank Bldg.  
Cincinnati, Ohio

Globe Indemnity Co., Bankers Indemnity Ins. Co. and others. Equipped for investigations and adjustments. Trial of all insurance cases, State and Federal Courts, Ohio and Kentucky.

#### Embry, Johnson, Crowe & Tolbert

First National Building  
Oklahoma City, Oklahoma

Equipped for investigation, adjustments, trial of all insurance cases in the State of Oklahoma.

#### E. L. McDougal

1437 American Bank Bldg.

Portland, Oregon

Equipped for Adjustments, Investigations and Settlement of Claims

#### ULYSSES S. THOMAS

719 White Building  
Buffalo, New York

Employers' Liability Assurance Corp., Western and Southern Indemnity Co., other casualty, bonding and fire companies

#### McKEEAN, MERRICK, ARTER & STEWART & GEORGE WM. COTTRELL

2800 Terminal Tower  
Cleveland, Ohio

#### V. E. McINNIS & JAMES H. ROSS

Ramsey Tower  
Oklahoma City, Okla.

Representing Aetna Cas. & Sur. Co., Aetna Life, Prudential Ins. Co. of Amer., Car & General, American Auto Ins. Co., Maryland Cas., and others. Equipped for Investigations, Adjustments and Trial All Insurance Cases.

#### MAGUIRE, SHIELDS & MORRISON

1113 Public Service Building  
Portland, Oregon

Representing Maryland Cas. Co., Employers Indemnity Corp., Yorkshire Ind. Co., Sun Ind. Co., American Auto Ins. Co., Associated Ind. Co., United Pacific Cas. Co., Canadian Ind. Co., Canadian Fire Ins. Co., Great Lakes Cas. Co., and others.

#### VanDuser, Liebschutz & Curran

425 Genesee Valley Trust Building  
Rochester, New York  
Representing London & Lancashire, Glens Falls, Firemen's Fund, Aetna and many others. Trial of all Insurance Cases, State and Federal Courts. Equipped for Investigations and Adjustments in Rochester and Surrounding Territory.

#### JOHN H. McNEAL

502 Auditorium Bldg., 1367 E. Sixth St.  
CLEVELAND

Phone Main 1328  
Attorney-at-Law  
Facilities for Investigations, Adjustments and Trial work over Northern Ohio

#### GEORGE M. NICHOLSON

Perrine Building  
Oklahoma City, Oklahoma

Formerly Chief Justice of Supreme Court of Oklahoma. Trial of all insurance cases in State and Federal Courts.

#### PENNSYLVANIA

#### ENGLISH, QUINN, LEEM-HUIS & TAYNTOR

Erie Trust Bldg.  
Erie, Pa.

Representing Maryland Casualty, Preferred Accident and others furnished on request. Handles for Investigations, Adjustments, trial Insurance Cases in Federal and State Courts.

#### JOHN C. LOOBY

74 Chapel Street  
Albany, N. Y.

Bankers Indemnity, Norwich Union, London & Lancashire  
Equipped for investigations and adjustments in this territory and trial of cases in Federal and State Courts.

#### Charles T. Warner

35 East Gay St., Columbus, Ohio

(Former Judge of Common Pleas Court and Superintendent of Insurance of Ohio from 1931 to 1935). General Insurance Practice in All Courts and Insurance Department  
Investigation and Adjustment of Claims  
General Insurance Matters

#### THURMAN, BOWMAN & THURMAN

504-508 Braniff Building  
Oklahoma City, Oklahoma

Representing F. & C. New York; F. & D. Baltimore; Mass. Bonding and many others given on request. Equipped for investigation, adjustments, settlement of all insurance claims. Trial of all insurance cases.

#### HENRY S. AMBLER, JR.

1425 Philadelphia Savings Fund Building  
Philadelphia, Pa.

Representing Glen Falls Ind., Continental Casualty, Century Indemnity. Equipped for investigations, adjustments and trial of all cases in Southeastern Pa.

#### NORTH CAROLINA

#### SMATHERS, MARTIN & MCCOY

Jackson Building  
Asheville, North Carolina

Representing Aetna, Travelers, Ind. Ins. Co. of N. A., American Surety Co. and many others. Equipped for investigations, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Western North Carolina.

#### MATTHEWS & MATTHEWS

25 North Main St.  
Dayton, Ohio

Ocean Accident, Ohio Farmers, Ohio Farm Bureau, Indemnity Co. Col.

#### JOHN L. ARRINGTON

407-12 Triangle Building  
Pawhuska, Oklahoma

Representing Hardware Mutual Cas. Co., Stevens Point, Wis., and others. Trial of all insurance cases in State and Federal Courts.

(Continued next page)

# INSURANCE ATTORNEYS

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## PENN. (Cont.)

### GEORGE Y. MEYER

1513 Berger Building  
Pittsburgh, Pa.

Representing Employers Group, Loyalty Group and many others given on request. Equipped for Investigations. Adjustments in Southwestern Pennsylvania.

### LEO. A. NUNNINK

1513 Berger Building  
Pittsburgh, Pa.  
Phone Court 2266  
Attorney-at-Law

Facilities for Investigations. Adjustments and Trial Work over Western Pennsylvania. Clients given on request.

## ROHDE ISLAND

### SHERWOOD & CLIFFORD

1503 Turks Head Building  
Providence, R. I.

Trials—Investigations—Adjustments

## SOUTH CAROLINA

### THOMAS-LUMPKIN & CAIN

1800-7 Central Union Building  
Columbia, South Carolina

Specializing in Fire, Casualty, Surety and Life. Trial of all cases. Equipped for investigations and adjustments all over South Carolina.

## SOUTH DAKOTA

### BAILEY & VOORHEES

Charles O. Bailey (1860-1928)  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottum  
Howell L. Fuller  
BAILEY-GLIDDEN BUILDING  
SIOUX FALLS  
INSURANCE PRACTICE

## TENNESSEE

### JENNINGS & O'NEIL

505-8 Bankers Trust Bldg.  
Knoxville, Tenn.

The Employers Liability Assur. Corp., Ltd., of Boston, Mass.; American Employers Ins. Co.; Massachusetts Bonding Co. Trial of all cases in State and Federal courts.

## PLEASANTS & HICKOX

1715 Exchange Building  
Memphis, Tennessee

Several years engaged in trial of all Insurance Cases in State and Federal Courts. Equipped for Investigation, Adjustments and Settlement of all Insurance claims in Western Tennessee, Northern Mississippi and Eastern Arkansas.

### AUST, MCGUGIN & SPEARS

American Trust Bldg.  
Nashville, Tenn.

Representing Fireman's Fund, Lumbermans, American Motorists, and many others. Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

## TEXAS

### WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT

Attorneys at Law  
Abilene, Texas

Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

### WILL R. SAUNDERS

1013 Oliver Eakle Building  
Amarillo, Texas

Representing Associated Ind. Corp.; Traders & General Ins. Co.; American Fidelity & Cas. Co. of New York. Equipped to handle claims, adjustments, and investigations Panhandle territory. Practice in all State and Federal Courts.

### HART, PATTERSON AND HART

624-630 Littlefield Building  
Austin, Texas

Representing F. & D., Baltimore, Zurich Ins. Co., Home Ins. Co. of N. Y., American National Ins. Co., and others on request. Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

### KING & RIENSTRA

208 Gilberts Building  
Beaumont, Texas

Representing Employers Group, Boston, others on request. Trial of all insurance cases State and Federal Courts Eastern District of Texas. Equipped for investigations.

### Touchstone, Wight, Gormley & Price

1106 Magnolia Bldg.  
Dallas, Texas

### Cantey, Hanger & McMahon

15th Floor Sinclair Building  
FORT WORTH, TEXAS

Samuel B. Cantey (1883-1934) Alfred B. Cantey, Jr.  
William A. Hanger Gillis A. Johnson  
Mark McMahon B. K. Hanger  
W. D. Smith Investigations, Adjustments, Trial All Cases

### Armstrong, Cranford, Barker & Bedford

ATTORNEYS AT LAW  
American National Insurance Bldg.  
Galveston, Texas

Equipped for investigations, adjustments, settlements of claims, trial all insurance cases.

### Boyles, Scott, Tobey & Atkinson

First National Bank Bldg.  
Houston, Texas

### Fulbright, Crooker & Freeman

State National Bank Bldg.  
Houston, Texas

### SIMMONS & ARNOLD

824-29 First National Bank Building  
Houston, Texas

New Amsterdam Cas. Co., Allmanns Fire of Pittsburgh, Cravens-Dargan, American Central Fire, St. Paul Fire & Marine.

## TEXAS (Cont.)

### BLEDSOE, CRENSHAW & DUPREE

First National Bank Building

Lubbock, Texas

Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others. Trial of all insurance cases in all courts. Equipped for investigations—Adjustments—Settlement of claims in plains Country.

### Ball, Seeligson & Trueheart

National Bank of Commerce Bldg.

San Antonio, Texas

Representing U. S. F. & G., Maryland Casualty and others. General Insurance Litigation Defense only.

### BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building

San Antonio, Texas

## UTAH

### Stewart, Stewart & Carter

1105 Continental Bank Building

Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

## WASHINGTON

### F. A. KERN

Washington National Bank Bldg.

Ellensburg, Washington

U. S. F. & G. Co., Sun Life Assurance Co.

### BATTLE, HULBERT, HEL- SELL & BETTENS

1001 Exchange Bldg.

Seattle, Wash.

Representing Standard Accident Ins. Co. and others. Trial of all Insurance Cases and others in State and Federal Courts.

### BAYLEY & CROSON

900-907 Insurance Bldg.

Seattle, Wash.

Frank S. Bayley Burton J. Wheelon  
Carl E. Croson F. Bartow Fite, Jr.  
O. H. Johnson George W. Martin

### BOGLE, BOGLE & GATES

8th Floor Central Building

Seattle, Washington

Fireman's Fund Insurance Co.  
Oregon Mutual Life  
Residential Life Ins. Co.  
Franklin Fire Ins. Co.  
Home Ins. Co. (Marine Dept.)

### PALMER, ASKREN & BRETHORST

1710 Hoge Building

Seattle, Washington

Representing Employers Liability Assurance Corporation and others.

## WASHINGTON (Cont.)

### ROBERTS, SKEEL AND HOLMAN

Insurance Building

John W. Roberts E. L. Skeel  
Tom W. Holman Wm. Paul Uhlmann  
Frank Hunter Harry Henke Jr.  
Tyre H. Hollander W. E. Everson  
Laurence Booth, Jr. Robert H. Grace

SEATTLE

### RYAN, ASKREN & RYAN

Suite 1903, Northern Life Tower

Seattle, Wash.

Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantee & Accident and others.

Trial all insurance cases in State and Federal Courts in Western Washington.

### POST, RUSSELL, DAVIS & PAINE

Exchange Building  
Spokane, Washington

Aetna Group, Hardware Mut. Cas. Co., Phoenix Ind. Co. and others. Investigations, adjustments and trial of all insurance cases in Eastern Washington and Northern Idaho.

## WISCONSIN

### Young, Everson & Ryan

230 E. Walnut Street  
Green Bay, Wisconsin

Fidelity & Casualty Co. of N. Y., Massachusetts Bonding Indemnity Co. and others. Trial of all casualty, fidelity and fire insurance matters. Especially equipped for investigations and adjustments.

### CHESTER D. RICHARDSON

Dale Building  
Kenosha, Wisconsin

Loyalty Group, Century Indemnity Co., and others. Equipped for investigation, adjustments, trial of all insurance cases.

### WOLFE & HART

First Wisconsin Nat. Bank Bldg.  
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

### Bouck, Hilton, Kluwin & Dempsey

First National Bank Bldg.  
Oshkosh, Wisconsin

Fidelity & Cas. Co., Continental Cas. Co., Employers of London. Equipped for investigations, adjustments, trial of all fire, casualty, and surety cases in district.

### HERMAN C. RUNGE

712-16 N. 8th Street  
Sheboygan, Wisconsin

Massachusetts Bonding & Ins. Co. and others—Equipped to handle adjustments—and trial work.

## WYOMING

### WM. B. COBB

Consolidated-Royalty Building

Casper, Wyoming

Representing U. S. F. & G., Travelers, Loyalty Group, Glens Falls and others. Equipped for investigations, adjustments and trial of all insurance cases.

county commissioners and school board will be applied to cover the cost.

The Tampa plan and experience were outlined to the board of the Florida Local Underwriters Association at a meeting by Director Mitchell Stallings of that city. He said it resulted in large curtailment of competition from mutuals and reciprocals and small cut-rate companies. The public was so impressed that many business men became afraid to risk their protection in anything but an authorized board agency.

#### Plan Is Outlined

W. Pat Fischer, vice-president state organization, said there was little doubt that a similar campaign by other local boards would do much to lessen competition from these sources, and that a possible outcome was that many cut-rate aggregations would withdraw by reason of not enough business to take care of overhead in the state.

### Virginia's New Code Filed; Makes Important Changes

The proposed Virginia insurance code prepared by the recodification commission was completed and submitted to the legislature. An important change is the requirement that examination of companies be conducted in confidence until findings are filed as public documents by the state corporation commission. Another section provides for immediate suspension, of license without a hearing, of any company placed in receivership in another state.

Discriminations, rebating, twisting and misrepresentations by companies and agents will be treated as misdemeanors, each act being a separate violation.

All public school buildings are placed in the inspection service of the state fire marshal and other fire officers. The code is large, containing approximately 125,000 words. Superintendent Bowles, who was vice-chairman of the commis-

sion, expressed hope the assembly would pass the code in substantially the present form, declaring it to be the best insurance code in America. The commission worked nearly four years, assisted by C. B. Coulbourn, department actuary, and M. O. Stout and T. T. Moore, clerks.

#### Protest Bookkeeper's Discharge

Protests against the discharge of Miss Alice Dooley, bookkeeper for the Oklahoma Insurance Board, were filed by Jess G. Read, president, based on the fact that the state examiner and inspector in the last audit stated that Miss Dooley's books were in excellent condition, and complimented her work. Miss Dooley had been notified of her discharge two days previously, by Secretary C. W. Philpott. She has had charge of the board's books for the last four years, having been engaged by the late William Murdoch when he was secretary.

#### Florida Membership Grows

A. C. Eisler, full-time secretary of the Florida Local Underwriters, reports that 19 new members have been secured as a result of a trip through north central Florida, bringing the total to 379, the largest on record and only 21 short of the goal.

#### Upsher Elected President

J. W. Upsher was elected president of the Fire & Casualty Insurance Agents of Oklahoma City, with L. I. Baker, vice-president. Leland Booth was reelected secretary-treasurer. The new directors include retiring President M. B. Breeding, J. S. Adams, Leslie Ash and Herbert Heiman.

#### Advocates State Cover

FRANKFORT, KY., Jan. 15.—Insurance companies which issued policies early last month totaling approximately \$2,800,000 on state buildings face cancellation of their contracts. Governor Chandler, after his reorganization commission approved a plan for the state to carry its own insurance, announced that the present policies would be canceled, effective Jan. 15.

Declaring he would not leave the capitol unprotected, the governor said a temporary policy would be obtained to cover the building while the general assembly considers the suggested insurance program.

#### Qualification Group Meets

BIRMINGHAM, ALA., Jan. 15.—A committee appointed by the Alabama Association of Insurance Agents conferred with Superintendent Julian on the type of questionnaire to be presented to applicants for licenses under Alabama's amended agency qualification law. Among other things the questionnaire is designed to ferret out part-time agents and others who propose to write only their own business or that of their employers. Those attending the conference were C. S. Boswell, association president; C. L. Gandy, Arthur Meade, J. A. Duckworth, and E. H. Moore, secretary.

#### Straus Agency Honored

I. J. Straus, president of the Richmond agency of Julius Straus & Sons, was presented a silver pitcher by representatives of the Great American in appreciation of continuous service of his agency for more than 30 years. Mr. Straus received the token at a luncheon in his honor, F. H. Briggs, Jr., Raleigh, making the presentation, L. P. Fraiser, Virginia state agent, arranged the luncheon.

#### Head Insurance Committees

M. R. Morgan, agent of Eagle Rock, Va., and representative of Botetourt county in the Virginia house, has been appointed chairman of the house committee on insurance and banking, succeeding Frank Moore, Lexington, Va., agent, who has been made chairman of the house appropriations committee.

### Tulsa Association Elects Officers at Annual Meet



J. STEWART PEARCE

Tulsa, OKLA., Jan. 15.—J. Stewart Pearce of Pearce, Porter & Martin was elected president of the Tulsa Fire & Casualty Insurance Association at its annual meeting. Other officers are: Vice president, Ben Voth; secretary-treasurer, George MacCurdy; assistant secretary-treasurer, Salisbury MacCurdy; directors, Eric Stahl, H. M. West, George Nordstrom, R. H. Siegfried, and Guy Landes.

Senator Anderson E. Shumate, of Pittsburgh, has been appointed chairman of the senate committee on insurance and banking.

#### To Elect Saints' Successor

A successor to John D. Saint, recently resigned as manager of the North Carolina Association of Insurance Agents to become secretary of the Oklahoma Insurers Association, will be chosen Jan. 16 by directors at a meeting in Raleigh.

#### Baker Is Port Arthur Head

The Port Arthur, Tex., Exchange elected the following officers: E. Baker, president; N. M. Barrier, vice-president; E. E. Stuckey, secretary-treasurer; R. W. Tucker and J. C. Salter, directors. The holdover directors are E. Baker, N. M. Barrier and A. E. Shirley.

#### Continue Walker Agency

The agency of the late John W. Walker at Augusta, Ga., will be continued to be operated by the family of Mr. Walker under the supervision of his son, James P. Walker, and Miss Blanche H. Sargeant.

#### Philpott to Talk

Secretary Sharpe W. Philpott of the Oklahoma Insurance Board will speak to the annual convention of the Associated Industries of Oklahoma in Tulsa this week on compensation insurance.

#### Southern Notes

**Watson-Walker agency**, Fayetteville, Ark., has been incorporated by Bert Watson, H. B. Walker and Fannie Walker.

**Charles M. Taylor** of Taylor & Richter, Little Rock, Ark., has been elected governor of Arkansas for the National Aero-nautical Association.

**C. E. Dietrich, Jr.**, manager Richmond district, Virginia Rating Bureau, is bereaved by the death of his father, a well known business man of that city.

The **Jacobson Agency** has been incorporated in Louisville, Ky., by B. P. Jacobson, J. E. Jacobson and J. M. Jacobson.

**E. A. Sheppard** of the Sheppard & Bedford agency at Winters, Tex., has purchased the C. C. Cenoweth agency at Abilene.

The **Estelline, Tex. Agency** has been purchased by Miss Margaret Tucker from Ewell Grundy, who will give his entire time to real estate.

**Erie Rogers**, Jonesboro, president of the Arkansas association, is visiting local boards in Little Rock and Fort Smith this week.

The **Watson-Walker Agency** has been incorporated at Fayetteville, Ark., by Bert Watson, H. B. Walker and Fannie Walker.



### NATIONAL UNION FIRE INSURANCE COMPANY

Pittsburgh, Pa.

“What a blessed thing is the New Year—A new start.”

—J. M. THOMAS

A  
Good  
Agency  
Company



AGENTS of the Twin City are well equipped to take advantage of increasing opportunities for business.

The Twin City Fire Insurance Co. gives prompt and dependable assistance in writing practically all forms of insurance needed by property owners today.

**TWIN CITY FIRE**  
INSURANCE COMPANY

John H. Griffin, Vice Pres. & Mgr.

MINNEAPOLIS, MINNESOTA

## EASTERN STATES ACTIVITIES

### Contingent Plan Not Dead

Middle Department Agents in Harrisburg Meeting Empower Bair to Act Further

HARRISBURG, PA., Jan. 15.—Although the Eastern Underwriters Association committee had asserted at the last conference in New York with the committee of the Pennsylvania Association of Insurance Agents that it could not recommend a contingent commission for agents of the Pennsylvania ordinary department, the subject is far from dead, a meeting of the agent's key men and directors here was told. Some 50 agents from all parts of the state attended. Discussion of the contingent question was the outstanding feature.

#### Not All Are Opposed

Opinion seemed to prevail that while the E. U. A. committee was opposed to granting contingent, not all E. U. A. companies agreed with that decision. It was believed some companies wanted the door reopened to discussion with the thought of making some concession to Middle Department agents.

K. H. Bair, president National Association of Insurance Agents and member conference committee, Pennsylvania association, was empowered to discuss the matter with E. U. A. companies and seek to obtain the contingent.

The E. U. A. committee report on the Middle Department contingent question has not been made public. Non-association companies in the main have been paying contingent in the territory and making a drive for agents, a fact that may have had some bearing on the reported disinclination of some E. U. A. members to reject contingent for the Middle Department although similar demands from other territories are being refused.

#### Discuss Hunt's Proposal

The meeting discussed the proposal of Commissioner Hunt to effect improvements through departmental rulings rather than legislation, a direction in which he already has taken several definite steps. One is the survey he is making regarding strengthening examinations for applicants for agents' and brokers' licenses. It is said companies informed him he has the authority to take this action and can make the fire and casualty examinations so stringent that fly-by-nights and part-timers will fail to pass and be kept out of the business.

The agents felt that before offering any suggestions to Mr. Hunt they should consider carefully, ascertain what they want accomplished, the best way of doing so, and then suggest a concrete plan or idea to the commissioner.

### Hudson County Group Makes Plans for Meeting in 1936

JERSEY CITY, Jan. 15.—The Underwriters' Association of Hudson county has mapped out an interesting program for the first half of this year.

The January meeting in Bayonne will be devoted to fire, accident prevention and safety, under supervision of W. F. Turner, the topic to be "Safety Work in Hudson County." At the dinner meeting in February at North Hudson, the topic will be "Every Worth While Agent a Member."

The March meeting will be a dinner in Hoboken, in charge of Frank Bucino, chairman legislative committee. D. S. Schenck, will preside at the April dinner meeting in Jersey City, when there will be discussion of "Advantages of Our Organization." Speakers for the May and June dinner meetings have not been selected.

### Charges Board Interference

#### Commissioner DeCelles Accuses Boston Body of Trespassing Rights on Appointment of Agents

BOSTON, Jan. 15.—The rapidly decreasing loss ratio in the fire business indicates some revision of the rates is imperative, declared Commissioner Francis J. DeCelles of Massachusetts in an address before the field agents of the Massachusetts Mutual Fire Association. The commissioner criticised severely the Boston Board, intimating that the board was carrying on in restraint of trade and was usurping some of the functions of the insurance department. He spoke as follows in this connection:

"The rapidly decreasing loss ratio in the fire business indicates that some revision of the rates is imperative. This revision must not be made at the expense of the producers. This problem of the producers of fire insurance has interested me for some time. Innumerable complaints have been filed against certain actions of the Boston Board. Undoubtedly some acts of this board are very close to violations of the common law in regard to restraint of trade. I do not believe that any group has a right to dictate who shall or who shall not write fire insurance in this state."

"Furthermore I do not believe that any private body has a right to say to any company that it shall not contract freely with producers. This board has in the past used certain functions of the insurance department expressly given to me by the legislature. The laws of this commonwealth say that I and I alone shall decide the qualifications of those entitled to transact the fire business.

"In the very near future I intend to call this private group to account for what I consider to be unwarranted interference with the right of private contract and its unjustifiable usurpation of certain functions of my department."

The Boston Board has received no communication from the commissioner in criticism of its methods, and there is no reason to take up the matter at the annual meeting of the organization unless some communication is received directly from the department.

#### DECELLES SPRINGS SURPRISES

BOSTON, Jan. 15.—Commissioner Francis J. DeCelles dropped a few more surprises into the laps of Massachusetts insurance men the past week and then dropped out of sight, for a two weeks sojourn in the sunny south.

The announcement made a week ago, in an address before the mutual field men, that he believed the Boston Board was acting in illegal restraint of trade and that lowered loss ratios would lead him to demand lower fire rates, while sufficiently alarming, was only a small part of what the commissioner allowed to get out just before he left.

#### Financing Premiums

The commissioner now has his eye on the matter of financing premiums. He believes that business should be directly under the eye of the commissioner and in close control of the department. He has offered a bill which provides that all insurance agents, brokers and finance companies not now licensed by the state banking commissioner must secure a special license from the department before taking any part in financing insurance premiums. Secondly, in the same bill, he provides that all finance plans, rates and charges must be approved by the insurance commissioner as "just and non-discriminatory" before being offered to the Massachusetts public.

A second bill would allow insurance companies to accept premiums in in-

stalments under conditions and terms to be approved by the insurance department.

The commissioner favors permitting companies to pay quarterly dividends.

The commissioner favors permitting boards of companies, by delegated authority to individuals or committees, to buy and sell securities for the company between regular meetings of the board, such action to be later ratified by the boards. Another bill calls for uniform inter-state liquidation and rehabilitation legislation along lines proposed by the National Association of Insurance Commissioners.

### Eastern Association Amends the By-laws on Reinsurance

Section 13 of the by-laws, dealing with reinsurance, has been amended by the Eastern Underwriters Association so that company members now are permitted the interchange of business with nonmember companies on risks located in the territory under the jurisdiction of the following organizations, provided such non-association companies or their representatives are members of the organizations named:

Association of Fire Underwriters of Baltimore, Allegheny County Board, Boston Board, Buffalo Association, New York Exchange, Philadelphia Association, Philadelphia Suburban Association, suburban division of the New York Rating Organization and Association of the District of Columbia.

### New Jersey Commissioner Bans Unauthorized Covers

TRENTON, Jan. 15.—Commissioner Withers of New Jersey announced no one will be permitted to conduct an insurance business in New Jersey without license. "There have been a number of so-called non-pecuniary profit associations which are incorporated under the laws of other states which have not been authorized to do business in New Jersey but which have been selling memberships within the state," he stated. "On the complaint of the insurance department two convictions within the past month have been obtained in Middlesex county alone, with several others pending in various parts of the state. The commissioner is determined that any of these fraudulent or illegal insurance or beneficial concerns will be prosecuted to the fullest extent of the law."

"It is the intention not to permit any of these concerns to become entrenched within the state, and it is the hope of the insurance department that any of the citizens of the state who have been victimized by such concerns will submit all of the facts in their possession to the insurance department in order that proper action may be taken against the violators."

#### New Hampshire Conference

H. Belden Sly, secretary of the Eastern Underwriters Association, will represent the organization at the conference called by Commission Sullivan of New Hampshire at Concord, Jan. 25, its purpose being to consider brokerages to be allowed agents.

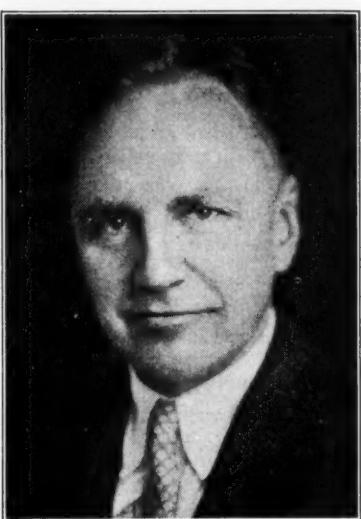
#### Improved Conditions at Utica

The National Fire Protection Association reports that there are improved conditions at Utica, N. Y. Losses for the fiscal year were the lowest in 19 years. There is an active fire prevention committee and the fire department is competently administered.

#### Report on Two Cities

The National Fire Protection Association states that its engineers find improved conditions in Everett, Mass. The fire department is conducting the second fire prevention inspection of all dwellings within a year. The installation of

### New England Exchange Head Gives His Report



RALPH G. HINKLEY

In his report as retiring president of the New England Insurance Exchange, President Ralph G. Hinkley discussed the rate situation in regard to the low loss ratios of the recent years. He urged that the changes in rates be made with caution. Mr. Hinkley has served through a successful term.

a two-way radio equipment on fire department apparatus will add to efficiency.

At Lawrence, Mass., the engineers report that arrangements have been completed for erecting an isolated and fire resistive fire alarm building. Other needs in the city recommended are a fire department drill tower and school, a fire prevention bureau in the fire department, revision of the building code and extension of the fire limits.

#### Made Assistant Actuary

BOSTON, Jan. 15.—Francis A. Donovan, Jr. of Cambridge, clerk, assistant examiner and examiner in the insurance department of Massachusetts since 1922, has been appointed assistant actuary of the department to succeed G. F. Knight, who recently went with the Berkshire Life.

#### Honor 91-Year-Old Agent

A testimonial dinner was given in Penn Yan, N. Y., honoring Bradley T. Mallory, local agent, on his 91st birthday. Mr. Mallory has been in active charge of his agency for more than 40 years.

## CANADIAN

### Election at Toronto Meet

#### Superintendent McNair of Ontario Named Head of Committee on Standard Automobile Forms

TORONTO, Jan. 15.—The committee on standard forms for automobile insurance, which is cooperating with the Association of Provincial Superintendents, held a reorganization meeting recently and elected the following officers for the ensuing year:

Chairman, H. D. McNair, Ontario superintendent of insurance; vice-chairman, R. J. Bastedo, Phoenix of London; secretary, John Edwards, Ontario insurance department; treasurer, E. M. Hill. Chairmen of sub-committees are as follows: miscellaneous forms, R. J. Bastedo; garage dealers' forms, Roy Atkinson; public vehicles, E. M. Hill; fleet

contracts, H. L. Kearns; finance business, S. G. Reid; proposed statutory changes in uniform act, P. H. Horst; non-ownership forms, J. Wilson; revision of existing standard forms, V. C. Smith.

### Canadian Fire Loss Data Is Classified by Type of Risk

TORONTO, Jan. 15.—A schedule of classification of fire insurance risks issued by the dominion insurance department gives the following loss ratios for 1934 and for the five-year period 1930-34 inclusive:

	1934	5 yr. ave.
Protected urban dwellings	46.5	49.2
Unprotected urban dwellings	60.6	75.9
Other dwellings and farm property	59.3	82.9
Other two or three year risks	28.9	48.3
Mercantile risks, wholesale stores, and warehouses and contents	30.0	66.4
Mercantile risks, retail stores, contents	32.0	53.7
Other mercantile risks	23.1	38.6
Breweries, malt houses	14.6	24.2

Boot and shoe factories	95.7	122.3
Canning factories	43.0	37.5
Confectionery, biscuit factories	32.7	44.7
Flour, oatmeal mills	87.1	96.9
Grain elevators	29.6	49.2
Laundries	13.8	32.2
Sawmills	194.4	138.8
Lumber yards	109.9	103.8
Machine shops, metal workers	34.4	42.9
Mining risks	64.6	36.1
Pork packing, curing houses	44.7	31.6
Pulp, paper mills	30.8	55.3
Street car barns	7.4	55.3
Tanneries	14.6	53.6
Wood-working factories	28.9	65.2
Woolen, knitting mills	95.1	67.9
Other manufacturing risks	28.7	48.8
Other one-year and short term risks	36.7	56.8
Sprinklered risks	17.5	31.6
Totals	40.9	55.7

### McIntosh Dies in Toronto

TORONTO, Jan. 15.—David McIntosh, well known in fire and casualty circles in Ontario, died here, aged 54 years. After some years with the Eagle, Star & British Dominions, he became assistant manager of the Merchants' Casualty of Waterloo, Ont., and in 1927 he founded the Pilot Automobile & Accident, now called the Pilot Insurance.

## PACIFIC COAST AND MOUNTAIN

### All Now Peace and Harmony

Washington Department and the Pearl Come to Terms After Controversy of Some Months

OLYMPIA, Jan. 15.—The expected compromise agreement between Commissioner Sullivan and the Pearl Assurance has been finally reached and the company's legal action dismissed as a result. A series of letters written by A. L. Merritt, Pacific Coast manager for the Pearl at San Francisco, furnished the basis for the peaceful settlement of the rate controversy which had been raging since last July 1. Essentially, the compromise restores the Pearl to the same competitive status as the other non-board and board companies. The Pearl's two special hazard schedules are withdrawn and Commissioner Sullivan in return has agreed to permit the company to write at 30 percent deviated rates, which is the level generally used by all companies in Washington.

#### Two Major Points Covered

Two major points are covered in the agreement. (1) The Pearl is filing with the insurance department a letter withdrawing its two independent mill schedules, and binds itself to refrain from filing any independent rating schedules prior to Jan. 1, 1938, unless some other company first commences writing under independent schedules. (2) Commissioner Sullivan agrees to furnish the Pearl with a letter reciting the following conditions of the agreement: (a) The Pearl's qualified status under the Washington code is fully recognized by the insurance department. (b) The company's writings under its special schedules prior to the effective date of the present agreement and withdrawal of the schedules stand approved. (c) All outstanding tags on Pearl policies issued since July 1 are retired. (d) The Pearl is permitted to use, without making further filings, a 30 percent deviation from the published rates of the Washington Surveying & Rating Bureau, and is permitted to make further filings to meet competition which may arise in the future.

### Specific Charges Against Jackson Cochrane Filed

DENVER, Jan. 15.—Answering the request of the state civil service commission to file more specific information in his charges against Commissioner Cochrane, John Nolan, Jr., state senator from Manitou Springs, this week presented information concerning the American

life case which he said was sufficient to cause the commissioner's removal.

He specified three paragraphs in his original charges, one that Mr. Cochrane failed to keep records readily available to the public. Names and addresses of agents were negligently listed, Nolan charged, resulting in impositions on the public by unscrupulous individuals masquerading as agents. Also, because of negligence, no systematic check on licensed agents was made since Mr. Cochrane took office.

Mr. Nolan amplified the charge that Mr. Cochrane allowed one or more employees to draw salary without proper assignment of duties and adequate service rendered. The commissioner, Mr. Nolan said, asked for appointment of a chief clerk in February, 1926, and after the appointment failed to assign duties to him, thus violating civil service rules.

Mr. Nolan also charged that when Cochrane was out of the state in November, because of negligence, confusion resulted and it was necessary for the filing clerk to act as commissioner. Nolan declared Mr. Cochrane kept secret reports and other information necessary to the licensing department.

According to Mr. Nolan, in December, 1934, after he had failed to collect a claim which he said he would collect, Mr. Cochrane told the claimant the insurance company was his "baby" and advised not to prosecute.

#### Mentions Company Failures

The Republic Mutual, an accident company and one of the major parties in the American Life deal, came in for a share in the charges, Mr. Nolan declaring Mr. Cochrane wrongfully informed the public of the company's financial condition and allowed it to operate; in addition recommending an individual as receiver who was under criminal indictment. Cochrane withdrew this recommendation, Nolan said, and John Chambers was appointed receiver. Cochrane was charged with opposing receivership of the Pacific States Life, now in liquidation and reinsured with 100 percent liens by the Occidental Life of Los Angeles.

#### Addresses Colorado Group

DENVER, Jan. 15.—Answering the request of the state civil service commission to file more specific information in his charges against Commissioner Cochrane, John Nolan, Jr., state senator from Manitou Springs, this week presented information concerning the American

#### Thanks Fire Companies

Appreciation of the people of San Francisco to the fire insurance companies for the general reduction in rates which have been promulgated during the past few

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years were expressed by Mayor Angelo J. Rossi to H. F. Badger, secretary-manager Pacific Board. Mayor Rossi pledged the cooperation of the administration to improvements and Mr. Badger pledged the cooperation of the fire business to further safeguarding lives and properties of San Franciscans.

#### Haines on Coast

James M. Haines, president Phoenix Indemnity and United States manager London Guarantee and Phoenix Assurance, visited Los Angeles with J. S. Sheppard, manager for the Phoenix In-

demnity at San Francisco, and C. A. Craft, manager Phoenix Assurance. Mr. Haines and Mr. Irvine will visit the entire Pacific field.

#### Coast Notes

C. W. Wall, manager Deposit Insurance Agency, Portland, is out of the hospital and on the road to recovery following a minor operation.

More than 350 people attended the open-house reception for H. M. Hill, the new manager of the Fire Companies Adjustment Bureau in Denver.

A. D. Richards has joined the Spokane office of Federal Hardware Dealer Mutual. He was most loyal gander of Washington Blue Goose last year.

## MOTOR INSURANCE NEWS

### Charges Violation of Laws

#### Ohio Association Asks Department to Investigate Methods of Finance Companies on Auto Coverage

In an effort to bring the insurance back into the regular insurance channels and to compel the writing of insurance according to law, the Ohio Association of Insurance Agents has sent a letter to the Ohio insurance department in which it says that it believes "that there is widespread violation of the insurance laws of the state in the placing of insurance upon automobiles purchased and paid for under so-called finance plans." Pointing out the widespread interest in the subject, the association asks that the department make "such investigation and take such action as the investigation warrants to prevent continuance of violations of the law."

In its letter the association directed attention to the operations of the General Exchange, the Universal Credit Company, the Commercial Credit Company, the General Motors Acceptance Corporation, the Associates Investment Company, and insurance companies it believes are violating various insurance laws in connection with their finance and insurance operations.

#### Shawnee Mutual Case

It also calls attention to the Shawnee Mutual Casualty, which is now asking the department for a license. The association believes that the Shawnee proposes to conduct its insurance business along the same lines as those of the companies already referred to, and in violation of the law.

The association has been giving the subject of finance company insurance serious consideration for a number of months and a few days ago decided to take some action. Members of the association's committee on finance company insurance are H. S. Boynton, Toledo, chairman; C. C. Rudibaugh, Youngstown; C. C. Hooven, Dayton, and S. D. Reichelderfer, Chillicothe. State Senator John A. Lloyd is secretary of the Ohio association.

### Wisconsin Bans Small Loan Companies from Insurance

MADISON, WIS., Jan. 15.—According to an opinion of the attorney-general to the state banking commission any company engaged in the small loans business in Wisconsin may not operate an insurance agency or other business in connection therewith. The question arose over the law which states that no licensee in the small loans business may make any other charge than that stipulated by the banking commission under its general powers to fix maximum interest rates of loans of \$300 or less. The inquiry was whether such a company could also insure an automobile covered by a chattel mortgage as security for a loan and make a premium charge.

"This section is a very stringent one," the opinion stated after quoting the law, "and assuming that the licensee had authorization from the banking depart-

ment to operate an insurance business in connection with his loan business, it would seem that the licensee would have to give the borrower the option of purchasing insurance elsewhere, since he is forbidden to charge any bonus or other things or otherwise, in addition to the interest charge permitted by law on the loan itself, and it would be immaterial whether or not the borrower received value for the extra charge made for insurance."

#### Wolverine Over Million

LANSING, MICH., Jan. 15.—The Wolverine of Lansing not only passed the million-dollar mark in business during 1935 but ended the year, according to President Robert K. Orr, with business exceeding \$1,200,000. The company operates only in Michigan, Ohio and Indiana.

#### Reinsurance Arrangement

The Virginia Auto Mutual, which started writing a month or so ago, has been authorized by the corporation commission of that state to make a contract with the General Reinsurance of New York for reinsurance of excess lines. It also has been authorized to make tentative reinsurance arrangements with the Auto Mutual Indemnity of New York.

## MARINE NEWS

### Steady Progress Now Made

#### Underwriters Impressed with Interstate Commerce Commission Officials in Their Truck Issue

NEW YORK, Jan. 15.—A representative committee of fire and marine underwriters during a recent visit to Washington to confer with officials of the Interstate Commerce Commission regarding intended regulations governing insurance of various types upon long haul trucking concerns, was impressed with the business-like administration of the office, and left with the conviction that sound common sense would govern all decisions of the commission. Non-political in its composition, the Interstate Commerce Commission is headed by men of seasoned business capacity and may be counted upon, now that authority to supervise interstate trucking operations has been vested in it by Congress, to formulate rules and regulations that will place the conduct of the business on a sound basis. The effort of the various divisions of underwriting to get together upon a program for handling interstate trucking risks, has not yet been consummated, though steady progress toward that end is being attained.

#### Office Moved to Buffalo

The Associated Marine Companies have moved their office from Hartford to 451 Main street, Buffalo. This was done to facilitate handling of the busi-

ness of this office, much of which comes from the central and mid western states. The same underwriting personnel is handling the business in Buffalo. Clifford R. Kealey is manager.

#### Home's Marine Men Meet

The marine special agents in the western field for the Home of New York are in Chicago this week for a conference with John Morrow, head of the marine department at the head office in New York.

## Stock Ownership Question Decided

(CONTINUED FROM PAGE 3)

already invested in the form of stock. Moreover, when we come to subdivision 12, we find a repetition of the prohibition against funds invested in the stock of another insurance company; and there the prohibition is coupled with a command directed to the corporation which owns such prohibited securities to dispose of them as provided. There can be little doubt about the meaning of the phrase 'be invested' in subdivision 12, and there is no good reason for giving it another meaning in subdivision 4."

#### Policy of the Law Stated

On the question of policy, the court said: "Going beyond the mere letter of the particular statutory provision, we find not only in the context of Sec. 16, but in many other provisions of the insurance law and of cognate statutes, clear indication of the legislative intent. It is trite to say that the insurance business in its manifold forms affects the public as few others do, and hints that the financial stability of insurance companies is an element of prime importance to the public. Without referring in detail to the many scattered provisions obviously framed for purposes of safety and security, we may say broadly that almost all of them were evoked by dire experience."

"So when the legislature has in substance said that the assets of insurers in an amount equal to their liabilities, their capital and at least 50 percent of their surplus should be invested in specified types of securities, which excludes the stock of other insurers, we may be reasonably certain that it did not intend that the surplus of any company should by gift or otherwise, be built up in disregard of the limitation. It intended for competitive reasons to grant insurers an opportunity to secure business through control of other companies so far, and only so far, as might be consistent with safety and stability. In short, the intent was that all assets from whatever source derived should be subject to the provisions in Sec. 16."

#### Warning Is Broadcast About Carl D. Stowell

A number of complaints have been made that Carl D. Stowell, former local agent at Kansas City, Mo., has been getting checks cashed and borrowing money from local agents in different sections. Checks are made out on a Kansas City bank that has no existence. Mr. Stowell represents himself as the owner of the Stowell Insurance Company. He is familiar with different companies and goes to an agent for a company concerning which he knows considerable and talks in a familiar way concerning it, its management and officials. He is well versed on insurance matters and in that way gets a hearing with agents. It is suggested that if he appears at any office he be detained until the police can be notified.

## INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Jan. 13, 1936.

	Div. per	Par	Share	Bid	Asked
Aetna Cas.	10	3.00*	107	110	
Aetna Fire	10	1.60	64	66	
Aetna Life	10	.80	35	37	
Agricultural	25	3.00	80	82	
Amer. Alliance	10	1.20*	29	31	
Amer. Equitable	5	1.00	32	34	
American (N. J.)	2.50	.50	16 1/2	17 1/2	
Amer. Relia.	10	2.50	67	69	
Amer. Reserve	10	1.00	32	34	
Amer. Surety	25	2.00	59	61	
Automobile	10	1.20*	43	45	
Boston	100	21.00*	705	715	
Camden Fire	5	1.00	25	27	
Central Surety	20	.50	30	32	
Contl. Casualty	5	.60	26	27	
Continental	2.50	1.45*	43	45	
Crum & For. Com.	10	.85	33	35	
Fidelity & Dep.	20	1.00	91	94	
Fidelity & Guar. F.	10	.50	45 1/2	46 1/2	
Fidelity-Phen.	2.50	1.45*	44	45	
Fire Assn.	10	2.50*	84	85	
Fireman's Fund	25	4.00	99	101	
Fireman's F. Ind.	10	...	32	35	
Firemen's (N. J.)	5	...	14 1/2	15 1/2	
Franklin	5	1.20*	35 1/2	37 1/2	
Glens Falls	5	1.60	41	43	
Gl. & Rut. (com.)	25	...	46	49	
Gl. Amer. Ins.	5	1.20*	30	32	
Gl. Amer. Ind.	1	.15	9	11	
Hanover Fire	10	1.60	40	42	
Hartford Fire	10	2.50*	89	91	
Home Fire & M.	10	2.00	46	48	
Home (N. Y.)	5	1.20*	40	42	
Ins. Co. of N. A.	10	2.50*	81	83	
Merch. F. Assur.	2.50	1.00	64	68	
Monarch Fire	4	...	5 1/2	6 1/2	
Natl. Cas.	10	.40	18 1/2	20	
Natl. Fire	10	2.00	78	80	
Natl. Liberty	2	.30*	11 1/2	12 1/2	
Natl. Union F.	20	2.50*	154	157	
New Am. Cas.	2	...	13	15	
New Hamp. F.	10	1.60	47	49	
New York F.	5	.30*	22	24	
Northern (N. Y.)	2.50	4.00*	111	113	
North River	2.50	.85*	29	31	
Northw. Natl. C.	2.50	.10	7 1/2	8 1/2	
Ohio Cas.	50	4.00	75	85	
Pacific Fire	25	3.50*	138	144	
Phoenix	10	2.50*	106	108	
Prov. Wash.	10	1.25*	43 1/2	45 1/2	
Security	10	1.40	40	42	
Southern Fire	10	1.00	30	32	
Sprgld. F. & M.	25	4.75*	144	146	
St. Paul F. & M.	25	7.50*	208	213	
Standard Acci.	10	...	9	12	
Travelers	100	16.00	622	635	
U. S. F. & G.	2	1.70*	15	16	
U. S. Fire	4	1.70*	58	60	

\*Includes extra.

### New Illinois License Law Goes Into Effect July 1

(CONTINUED FROM PAGE 2)

lation, intentional material misstatement in license application, obtaining or attempting to obtain license by fraud or misrepresentation, committing fraudulent or dishonest practices, misappropriation, conversion or illegal withholding of money held in trust; otherwise demonstrating incompetency, materially misrepresenting terms and conditions of policies, failing to pass examinations, not actively engaged in selling insurance to others as defined in the law. Bank agencies in towns of 5,000 or less are permissible but not in larger towns.

#### Southern Fire Organizing

ATLANTA, Jan. 15.—The Southern Fire is in process of organization and a petition for charter is now being drafted, according to Lewis A. Irons, executive vice-president of the Southern Life which has been organized and writing business for about 60 days. Offices are in the William-Oliver building.

#### Prugh and Zell Start Agency

J. W. Prugh, who at one time was mayor of Xenia, O., and has also served as Ohio building and loan superintendent, has joined with Charles Zell in the operation of an agency in Xenia.

#### Memphis Club Elects

Donald Croom was elected president of the Insurance Club of Memphis, Tenn., at the annual meeting. He succeeds Louis Furbinger. Other officers are: Ralph Waller, first vice-president; Victor Hexter, second vice-president; C. P. Cartwright, secretary, and B. R. Hine, treasurer.

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seed . . .



• . . then the  
blade . . .



• . . then the  
full corn in the  
ear . . .



# Looking Ahead!

AS WE start another year, we feel confident that it will be a *good* year for *Ætna* producers. Several conditions justify us, we believe, in this optimistic opinion. Generally improving conditions provide the public with added resources that must be protected. Increasing incomes will make possible the purchase of the needed insurance. The public is more "insurance-minded" than ever.

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Many of the contacts thus made and the sales ideas implanted will undoubtedly be reflected in future sales of *Ætna* policies and bonds. So again we say, we believe 1936 will be a *good* year for *Ætna* producers.

If you do not represent the *Ætna*, but feel that you would like to, we suggest that you write to the nearest *Ætna* supervising office or to the Home Office. There may be a place for you in our organization.



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*affiliated with*

THE *ÆTNA* LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY  
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

# The National Underwriter

January 16, 1936

CASUALTY AND SURETY SECTION

Page Thirty-one

## Palmer Challenges Legal Procedure

Raises Question of Right of Insurer to Defend Assured

### CALLS COMPANY MEETING

Illinois Insurance Director Adds Fuel to Flame in Demand to Limit Legal Activities of Companies

Insurance Director Palmer of Illinois has added fuel to the flame in the current demand, centering in Missouri, to limit the legal activities of casualty companies. He has called a meeting to be held at Chicago, Feb. 7 with representatives of all companies writing automobile casualty coverage in the state. A discussion will be held of the right of the companies to undertake, in their contracts, to defend the assured against actions brought against them. Mr. Palmer raises the issue whether such a provision is not equivalent to the corporate practice of law. He cites a recent Illinois supreme court decision upholding the contention of the Chicago Bar Association that the Chicago Motor Club was illegally practicing law in offering legal services and defense of members.

The casualty companies do not fear that the outcome in any way will upset their contracts or their traditional method of operation. However, they do fear that a certain amount of confusion will result and the waters will be muddied.

#### Special Practices of Club

The casualty companies say that the motor club decision was directed against certain practices of the motor club that are not involved in any way in the usual insurance contract. For instance, the motor club undertook to defend members in court against charges of traffic violations. Furthermore the motor club agreed to furnish counsel to members in bringing action against parties for damages to the automobiles and persons of members.

In these actions, casualty companies state, the motor club was not defending itself or protecting its own interest but was offering a straight legal service for a fee.

Under the insurance contract, however, in defending an assured, the insurance company is at the same time defending and protecting itself. That is true, because the judgment against the assured must be paid by the insurance company. Casualty companies rely on a long line of decisions upholding the right of the insurance company to defend the assured where the insurer stands to lose in case judgment is rendered against the insured. The companies point out that the company insures the liability of the policyholder and a part of the insured's

(CONTINUED ON PAGE 35)

## Conservation, Prevention

President Jackson of Bankers Indemnity Gives Address of Great Significance in Casualty Field Before New York Legion Post

NEW YORK, Jan. 15.—Compared with the other forms of insurance, life, fire and marine, the casualty business is very young and has been sailing an uncharted sea with the underwriting background constantly changing with the economic and social changes of national life, H. P. Jackson, president Bankers Indemnity, told the Insurance Post of the American Legion at a meeting, his subject being "Where Do We Go from Here?"

"Sixty years ago, when the life, fire and marine business were then very old, only four casualty companies wrote about \$250,000 in premiums. In 1890, 23 stock companies wrote \$8,450,000. In 1900, 45 companies wrote \$26,000,000. In 1923, 155 companies wrote \$588,000,000, and in 1935, I believe, the volume will approximate \$580,000,000, written by about 113 stock companies," he said.

#### Two Significant Points

"These figures emphasize two particularly important points, the rapid growth of the business and the apparent leveling off during recent years as respects the increase in premiums and the number of companies engaged. During the acute depression years there was, of course, a sharp decline in the volume of premiums written and several companies failed.

"It will be readily seen that the casualty business which concerned itself at the outset chiefly with personal accident coverage, has derived its phenomenal growth along with the industrial growth of the country and the increased interest of the insurance production forces in it, but more particularly through inauguration of the workmen's compensation plan in industry and the almost miraculous growth of the automotive industry which developed a necessity for forms of protection which now produce by far the largest volume of our premiums.

#### Business Needed Revamping

"Up to a short time ago the business had gone ahead of its own momentum; then came the time when new machinery, so to speak, was required. Price fixing, that is rate making, had to be removed from the guess method to actuarial science; by-products (the miscellaneous lines) required development, and supervision by regulating authorities was extended. Selling methods had to be improved through education and advertising and the period arrived when unsound competition and operating conditions became so vicious that profits were stifled and the casualty companies entered an era of heavy losses aggregating \$166,718,104 for the bureau companies through the decade from 1924 to 1934.

"Companies have been too much concerned with producing large volume of premiums to divert to expansion and investments. With reduced earnings on investments, it appears the day of skillful underwriting and sound management is at hand. The technical side of the business holds the promise of the future.

"It is very apparent that the time has come when every kind of business must look searchingly behind and ahead seeking ways and means by which it can



H. P. JACKSON

best fulfill its destiny in the changes which certainly are coming and which we all hope will be for the best. I doubt if any business is more definitely or directly affected by social and economic changes than the casualty business; therefore the necessity for foresight is urgent. No business can long endure where outgo exceeds underwriting income, as has been true in the aggregate figures of the bureau stock companies for the past six years.

"Rate levels have already been increased to the point where it is no secret that preferred business is being lost to those non-bureau and non-stock companies which charge less; thus we face the predicament of diminishing volume, adverse selection and continuing underwriting loss. Therefore, the first remedial steps, it would seem to me, should be in the direction of stopping losses. I believe this can be accomplished by several methods for which there are adequate precedents.

#### Conservation One Method

"In the field of conservation and prevention, it seems to me, lies one of the great future opportunities of the casualty business. 'Pay as you kill' has become a common expression in discussing the problem of traffic deaths and automobile liability insurance, but every sane person is looking in the direction of saving lives on the highway. The obvious public awakening to this movement is heartening. Where could leadership better be found than with the casualty companies. In 1934 the bureau casualty companies paid out \$81,000,000 in automobile liability claims. Automobile accidents will continue to occur in the mad haste of our American way of living but they can be materially reduced through an inspired public demand for strict enforcement of traffic laws based upon a continuous educational appeal.

(CONTINUED ON PAGE 35)

## Largest Airplane Loss Was Insured

Greatest Loss of Life in History of Flying Except for Russian Accident

### PILOT CANCELED POLICY

Reinsurance, and Particularly Excess, Plays Large Part in Handling Aviation Coverage

Passenger liability insurance of \$600,000 was carried on the airplane that crashed in an Arkansas swamp Tuesday. The loss of life was the greatest in the history of flying except for the crash of the Soviet propaganda ship in Russia two or three years ago, which cost 54 lives. In the Arkansas crash the loss of life was 17, including 14 passengers and three members of the crew.

The hull was not insured. It was worth probably \$60,000. The plane flew from a Texas base and the crew presumably were hired there, so that it is presumed the Texas compensation law will apply. In addition to the compensation the crew were covered by personal accident insurance. Each pilot of the American Airways is given \$5,000 personal accident and has the privilege of buying \$5,000 more. The stewards are given \$3,000 and can buy \$3,000 more but it is doubtful if any has ever exercised the privilege. There was an unfortunate incident connected with the insurance of the copilot in the Arkansas crash. Just three days before the accident he had turned in his \$10,000 policy and had it reduced to \$5,000.

#### Liability Limit \$50,000

The liability limit on one passenger is \$50,000. There were several women and one child in the plane, on whom the financial liability will probably be moderate. One passenger was traveling on a pass. The financial situation of the other passengers is not yet known. There are 18 states which limit the damages recoverable for death. Claims are sometimes affected by a statutory limit on recovery in case of death, but in Arkansas there is no limit. The amount recoverable is up to juries.

#### Claim Average High

Claims for passengers average around \$20,000. A judgment of \$90,000 was given in a case a couple of years ago but reduced by the court to \$50,000, which was paid. The men who use airplanes are largely those whose time is valuable. The average claim payment does not seem to have been reduced very much by the increased popularity of flying. In other words, those who fly apparently are still in the upper ranks of business.

Liability of the transport companies in airplane accidents is not conclusive. There is a good deal of guess work about the causes but proof is difficult.

(CONTINUED ON PAGE 35)

## California Cost Conference Is Production Stimulator

### ROLLO E. FAY GIVES REPORT

Chairman Warns Against Permitting Northwest Competitive Fever to Jeopardize California Control

SAN FRANCISCO, Jan. 15.—The California casualty acquisition cost conference, formally organized in April, 1934, has not only substantially reduced costs of company members but has accelerated production, according to the annual report of Chairman Rollo E. Fay at the annual meeting here today. Collectively the company members during 1934 wrote an even million more than in 1933 for a total of \$21,400,000 in lines under conference jurisdiction, according to the report, while collectively the national conference members not members of the California conference increased only \$88,000 for a total of \$7,900,000.

Judging future chances by present strength, Mr. Fay said, "This conference looks like the most successful effort the casualty business on the Pacific Coast has made toward cooperative self-regulation." Stressing "fair play and good headwork" of members, commenting on fire companies' cooperation and the resolution of cooperation adopted by the Pacific Board in May, 1934, Mr. Fay said no fire office has violated its pledge. He expressed appreciation to the board and to the National Automobile Underwriters Association.

Regarding conditions in the Pacific northwest he said: "It is not an affair of the California conference that competitive production cost regulation is in a bad way in Oregon and Washington except that most of our members supervise those states from Pacific Coast offices at San Francisco and if indefinitely prolonged the animosities arising out of cut-throat competition in these neighboring states are likely to undermine harmony prevailing in California. Therefore it is not improper on the part of chairman to advise you to confine your northwest battles to the northwest or better still do something about those states pretty soon."

Referring to his recent appointment as arbitrator of the northern California and southern California fidelity and surety conferences Mr. Fay said nothing has arisen to indicate the interests of surety and casualty conferences are incompatible and "it would be desirable in time to have the enforcement provisions in the surety conferences uniform with those of the casualty conference."

Members of the governing committee for northern California elected at the meeting are: Globe Indemnity, L. R. Swezey; Hartford, Joy Lichtenstein; Phoenix Indemnity, J. S. Sheppard; Ocean Accident, John C. Bunyan; Pacific Indemnity, W. B. Swett; Fireman's Fund Indemnity, B. G. Wills. Mr. Fay was retained as chairman.

J. M. Haines, United States manager of the Phoenix Indemnity, attended the meeting. Three remaining members of the governing board for southern California will be elected at the meeting in Los Angeles, Jan. 27.

### Automobile Security Laws

The sixth edition of the "Automobile Liability Security Laws of the United States and Canada," which is revised to Oct. 1, 1935 and which was compiled and edited by F. Robertson Jones, general manager of the Association of Casualty & Surety Executives, 1 Park Avenue, New York City, is now ready for sale at \$7.50 per copy.

This new edition contains the texts of all automobile liability security laws applying to privately owned and operated motor vehicles (exclusive of laws applicable only to common carriers, etc.) enacted to Oct. 1, 1935.

## Heads Reception Group for Big Pittsburgh Day



ALBERT C. SUPPLEE

Albert C. Supplee, manager of the United States Fidelity & Guaranty, is chairman of the reception committee for the 10th anniversary celebration of the Insurance Club of Pittsburgh Feb. 10. Mr. Supplee is retiring president of the Insurance Club.

### Oppose Compulsory Health

#### California Medicos Vote Against Mandatory Coverage in Answer to Questionnaire

Apparently reversing a previously announced stand the medical profession of California is approximately 76 percent against any form of compulsory health insurance, according to a survey made by the California Medical Association.

A total of 3,493 physicians voted on three major questions pertaining to the subject following considerable discussion and agitation throughout 1934 and 1935 when efforts were made by both medical men and real and imaginary sociologists to have the legislature adopt a compulsory health insurance bill.

#### Answers Questionnaire

The questions and answers were:

1. Shall the California Medical Association endorse any legislative change in the present system of medical practice? Yes, 1,162. No, 1,947.
2. Are you in favor of compulsory health insurance? Yes, 848. No, 2,645.
3. Are you in favor of voluntary health insurance? Yes, 1,630. No, 1,130. (a) Voluntary health insurance carried on by the State of California. Yes, 282. No, 685. (b) Voluntary health insurance carried on by lay companies under legislative control? Yes, 255. No, 677. (c) Voluntary health insurance carried on by some form of organization of licensed physicians of California created by legislation? Yes, 2,569. No, 803.

#### Old Condition Still Ranks

The report states the balloting is incomplete but expresses opinion that the final count will show results substantially the same.

The heavy reply in favor of (c) of question 3 indicates the doctors are still rankled by the conditions exposed last year regarding activities of numerous health benefit associations which sprang up throughout California during the past five years and which have been eliminated almost entirely through action of the legislature and insurance department.

D. C. Levake has been appointed special agent in Oregon for Fidelity & Casualty.

## Expediting Claim Cases in California May Be Costly

### SETTLEMENTS MAY BE HIGHER

#### Some Casualty Men, However, Believe General Level Not Much Raised by Court Action

Liability litigation in California, particularly personal injury cases involving automobile accidents, has been materially speeded up during the past two years as a result of an agreement among the judiciary to have cases involving less than \$3,000 handled in municipal rather than superior courts.

For many years higher court calendars have been heavily congested as the public become more claims-conscious, producing a condition that caused cases of more than \$300 to drag along for one to three years, according to insurance attorneys.

#### Opinion on Results Vary

Some underwriters believe that cutting the time down to the present speed of a few months at the most before a case is tried, has resulted in many settlements being on a higher level than formerly. Time was when litigants or plaintiffs would compromise a claim for a discount ranging from 25 to 33 percent to avoid a long delay. Others say that while this might be true in some instances the general average has not been changed much from this cause, higher judgments being due largely to the action of juries, particularly in locations where there is a big unemployment problem and where many of the unemployed appear as jurors.

The idea of "speeding up" trials was instituted in Los Angeles county where the situation became a matter of public protest and the legal profession assisted the judiciary in attempting to find a solution. Other districts joined in the movement, but the greatest celerity has been reached in that section.

#### Cases Much Expedited

Where it once took two to three years for some cases to come to trial in Los Angeles, the same cases now reach court for testimony in four weeks to six months. In Alameda county the minimum is about two months, while a little longer time is still required in San Francisco county.

### Appeal Restraining Order in Sproles Freight Case

DALLAS, Jan. 15.—On behalf of the Texas Board of Insurance Commissioners the attorney-general's department is appealing from the temporary restraining order granted by Judge A. J. Power of the 96th district court at Fort Worth enjoining the commissioners and the Traders & General of Dallas from enforcing the casualty manual rates in connection with the purchase of automobile insurance by the Sproles Motor Freight Lines of Fort Worth and 80 additional intervening lines. The Fort Worth court of appeals is expected to set the case for hearing the last week in February.

#### Behrens on Life Insurance

President H. A. Behrens of the Continental Casualty-Continental Assurance is to give a talk in the Chicago Board auditorium the afternoon of Jan. 17 on "Why a Casualty Broker Should Take Care of the Life Insurance Needs of His Clients." E. L. Grant, manager Insurance Exchange branch life department, will preside. A blanket invitation has been extended to members of the Insurance Brokers Association of Illinois. The meeting will start about 3:30 p. m.

Robert Klie has been named manager of the Columbus agency of the Republic Mutual.

## Alleged Auto Cover Ring in Jersey City Arrested

JERSEY CITY, Jan. 15.—The Jersey City police believe they have smashed an alleged automobile insurance racket of large proportions here. The National Association of Automobiles, 28 Tube Concourse, was raided and all records turned over to the New Jersey insurance department.

Police allege the company sold what agents represented as automobile liability insurance for a premium of \$25 for two year term, but in reality amounted to towing charges and repairs at certain garages maintained by the association. Police arrested J. E. Biederman, Brooklyn, alleged to be under indictment for a similar scheme in New York, Harry Williams, Jersey City; Harry Cowen, Brooklyn, and Bessie Miller, New York, association secretary. Police claimed the woman has been arrested several times in New York in similar rackets. Biederman, it is said, told police he was an automobile insurance man in New York. Walter Sneider, chief license division, New Jersey department, made formal charges against the persons arrested for operating an insurance business without a license.

### To Seek Lower Bank Rates for Arkansas in New York

State Bank Commissioner Wasson of Arkansas said he will go to New York within the next 30 days to confer with insurance company officials in an effort to obtain a reduction in premium rates on burglary, hold-up and fidelity insurance for Arkansas banks. He has sent a letter to all state banks asking them to report in detail losses sustained through robberies and other causes since Aug. 19, 1933, when the bank commissioner issued an order directing bank cashiers not to keep more than 1 percent of deposits out of time-locked vaults at any time, except by special permission from the banking department to meet unusual demands.

During the year immediately preceding issuance of the order, 37 state banks were robbed of \$116,234, but during the 2½ years since the limited cash order was promulgated, only 16 state banks have been robbed. Mr. Wasson stated he believes this record justified a material reduction in burglary and robbery insurance rates.

#### Royal Indemnity as Host

The Royal Indemnity, which in February will complete 25 years of existence, is inviting a selected group of agents to attend a conference in Atlantic City, Sept. 28-30. In its invitation, the Royal Indemnity states that its success has been due to the efforts of the agents and the desire is to express appreciation in this tangible way. The invitation is not coupled with any particular contest or drive.

#### Beams on Western Trip

Thomas Y. Beams, superintendent of the liability department at the head office of the Royal Indemnity and Eagle Indemnity, has been making a business trip throughout the middle west and south. Among the cities in which he stopped were Chicago, Memphis and Kansas City.

#### Seek Compulsory Cover

Alderman John A. Genteman of St. Louis has presented a bill to the board of aldermen to compel all persons licensed to operate motor vehicles in St. Louis to carry \$5,000/\$10,000 liability insurance on their automobiles. The carrying of such insurance would be a requisite to obtaining a license to drive a motor vehicle.

## Great Interest in Accident Lectures

New York Club Program Reveals Revived Interest in This Field

### NEW MANUAL DISCUSSED

Classifications and "Class Underwriting" Taken Up by Logan Bidle of Aetna Life

NEW YORK, Jan. 15.—The continued large attendance of the educational lectures sponsored by the Accident & Health Club of New York was the subject of comment by L. W. Winslow, Fireman's Fund and chairman of the committee, at the opening of the fourth lecture this week. Mr. Winslow expressed the gratification of the committee at the interest evinced by brokers and agents in this city and their continued support.

J. R. Turn, vice-president, Aetna Life, in delivering the opening remarks spoke of his appreciation of the new interest shown in what is the oldest of all casualty lines. He said that one reason for this revived interest in accident and health insurance is the fact that most life companies have drastically curtailed the writing of income disability coverage and that accident and health coverages now offer the only means for this protection. The finest leads for this business are in a man's own office, he said, and if the broker or agent feels the need of more information, his company is always willing to supply him with it.

#### Manual and Classifications

"The Manual and Classifications" was the subject of Logan Bidle, chairman, manual committee, Bureau of Personal Accident & Health Underwriters, assistant secretary, accident and liability department, Aetna Life. "Few men become actively engaged in the solicitation of a line of insurance upon which they are not reasonably well informed," he said. He spoke of the adoption of the uniform program which has simplified the business considerably and then described the manual provided by each company. He explained that the accumulated experience of many companies has played a very important part in the establishment of the classifications assigned to the 2,716 occupations listed in the manual.

#### Study of Distribution

A study of the distribution of these shows 1,098 occupations in the first four classifications, A, B, C and D. In the remaining 9 classifications, E to M, there are 1,618 occupations. Mr. Bidle stated that from an investigation involving the business of his own company, but which was representative of other companies, it was found that 96.55 percent of that business had been written in the first four classifications, which left 3.45 percent for the remaining nine. He then listed the occupations which contribute to this large volume of business. A copy of this list may be obtained from the New York offices of any of the casualty companies.

#### Class Underwriting

"The principle of 'class underwriting' is a fundamental in the insurance business," said Mr. Bidle. This means the use of an average rate for persons engaged in the same occupation. He illustrated this point by taking the profession of physicians and surgeons. The same rate applies to the doctor in a small town who makes his rounds night and day

### Many New Casualty Bills in Bay State Legislature

#### AFFECT AUTOMOBILE COVER

DeCelles Offers Measure to Simplify Cancellation Procedure, Asks Repeal of Rules of Road Law

BOSTON, Jan. 15.—Commissioner Francis J. DeCelles is sponsoring several new bills in the Massachusetts legislature affecting casualty companies. He has sponsored a bill to standardize the method of mailing cancellation notices for compulsory and other coverages. Under the present system notice of cancellation of compulsory coverage must be sent by registered mail, with return receipt, and because of the nature of this cancellation, other coverages, probably written in the same policy, must be sent separately without the return receipt. The proposed change would make it possible for companies to send notice of cancellation of voluntary coverages with return receipt, thereby enabling them to send the other cancellation notices in the same envelope with the compulsory notice.

#### Guest Coverage Bill

Two bills have been filed to repeal the compulsory automobile liability insurance act, one calling for the substitution of a financial responsibility law. Another bill would restore the guest coverage to the compulsory law.

The commissioner, on the other hand, sponsors a bill to eliminate the penalty under the rules of the road law, brought out in the recent Gallagher case, which would restore the original intent of the guest rider coverage calling for evidence of gross negligence.

Referring to the 50 or more complainants who recently went to the commissioner and declared they could not get 1936 coverage under the compulsory law in spite of the companies' promises to take all old policyholders, the commissioner stated all but two had now been taken care of, and in those two cases the companies were justified in not accepting the risks.

#### Practices of Companies

Incidentally the companies appear not at all to be of one mind in handling the new guest rider coverage. Some are writing the combined old and new forms for the joint price of \$10.75, which takes care of the rules of the road violations without negligence at \$4.25 and the new endorsement calling for a show of gross negligence, at \$6.50; others are writing only the endorsement coverage and refusing to take the lower cost line affected by the Gallagher decision; while at least one company, apparently having faith that the present legislature will immediately offset the effect of the Gallagher case decision, is writing the original \$4.25 coverage, assuming full risk for the time being at the lower figure.

Another bill would provide a uniform flat rate for trucks carrying property for hire under the compulsory law.

### Western Department Roundup

The annual field men's conference of the Hartford Accident's western department is being held Wednesday and Thursday of this week in Racine, Wis. G. H. Moloney, vice-president in charge of the department, is presiding. F. C. McVicar, superintendent of agents, is representing the head office. The western department has jurisdiction over eight states.

and the physician seated behind his desk in a large city, although there is a wide difference in their exposures. Mr. Bidle stated that experience has shown the results obtained by grading and classification to be very satisfactory.

### New Officers Elected by Oklahoma Casualty Men



F. WILEY BALL

OKLAHOMA CITY, Jan. 15.—At the annual meeting of the Oklahoma Casualty Mens Association F. Wiley Ball was elected president; E. R. Ledbetter, vice-president, and H. A. Houston, assistant manager American Surety, secretary-treasurer. A motion was carried to amend the bylaws to limit membership to agents representing bureau companies only. It was also decided to have definitely arranged programs for all monthly meetings.

Mr. Ball also has been named a director of the Oklahoma City Chamber of Commerce.

### Illinois Appellate Court in Judgment for "Guest"

An important decision under the 1931 Illinois "guest" act, which bases recovery of damages only on "wilful and wanton conduct" of the driver of the motor vehicle, just recently was decided by the Illinois circuit court of appeals in favor of the guest in the case of Dorothy Farley vs. Bradford Mitchell. The case is being reported in 282 appellate, 555. A judgment of \$2,619 was affirmed. The Economy Auto of Freeport was on the Mitchell risk.

It was shown that Mitchell drove Miss Farley to a dance and on the way home, driving on an 18-foot concrete highway with soft shoulders, went by another car at 45 miles an hour without signaling. Judges Kelley and Bristow of Cook county superior court previously had ruled this constituted wilful and wanton conduct and found for the plaintiff. The appellate court sustained this view.

#### WASHINGTON LAW SUSTAINED

The Washington state supreme court has sustained the law passed in 1933 limiting the recovery obtainable by guest riders involved in automobile accidents.

#### Frederick Richardson Tours

NEW YORK, Jan. 15.—Frederick Richardson, United States manager and attorney of the General Accident, accompanied by Mrs. Richardson and their niece, will sail from this city Jan. 21, on a cruise through the south Pacific. After stopping at Tahiti, the party will proceed to New Zealand and Australia, expecting to return to Philadelphia near the end of April.

The Huff-Reeves Agency, Richmond, Ind., has been incorporated by R. N. Huff, H. B. Reeves and Alice I. Robbins.

## Will Use New Auto Liability Policy

Adopted by Bureau Stock Companies and American Mutual Alliance Members

### FORMS NOT YET SUPPLIED

Change in Clause Provides Only Assured Can Give Permission for Operation of Automobile

While many of the companies have not as yet received their supplies from the home offices, all bureau stock companies and all member companies of the American Mutual Alliance have announced their intention of using the new standard automobile liability policy published jointly by these organizations. Some companies have experienced delay in getting the new policies from the printers and a few are allowing their branch offices and agents to use their supply of old policies before the new forms are put into general use.

Most of the larger nonconference companies are using or intend to use the new form. The St. Paul-Mercury Indemnity was one of the first companies to put the form into actual use and the General Accident and Car & General have announced their intention of using it, although they do not have the supplies in the hands of their agents as yet. The American Automobile has made no official statement.

#### Bulletins Discuss Policy

The January issue of the "Fire, Casualty & Surety Bulletins," published by THE NATIONAL UNDERWRITER, contains a discussion of the new policy and the points in which it differs from the old ones commonly used by the larger companies. The omnibus or additional interests clause, referred to in the new standard policy as "definition of insured" shows the greatest change from the old forms. Under the new clause, only the named assured can give permission for the operation of the automobile, if the person operating it is to be covered. Most of the older clauses covered an operator if he was operating with the permission of the named assured or any adult member of his family.

#### Other Restrictions

The additional interests clause also provides that the policy does not cover any liability of any other person, firm or corporation on account of bodily injury or death of a named assured, thereby exempting the company from any liability in case some other person should operate the automobile with the assured's permission and injure the assured.

Another restriction in the additional interests clause is aimed at a practice which claim lawyers in industrial centers discovered during the last few years. Where an employee operating an automobile or truck owned by the firm injured another employee, attorneys frequently brought suit against the operator and collected from the employer's insurance company under the additional interests clause, thus getting a larger judgment than could be secured under a compensation settlement and some times in addition to the compensation settlement. The new additional interests clause states that it does not cover any employee of the named assured for bodily injury to or death of another employee of the assured.

In one respect the additional interests clause has been broadened. Most of the older clauses stated that the ex-

(CONTINUED ON LAST PAGE)

## WORKMEN'S COMPENSATION

### New Jersey Bureau Notes Effect of Court Decision

The Compensation Rating & Inspection Bureau of New Jersey sent a letter to member companies calling attention to the recent decision by the supreme court regarding cancellation of workmen's compensation policies. The case involved was Allastair McDonald vs. Indemnity of North America on application for writ of certiorari, which was denied.

The bureau pointed out that it would appear the court of common pleas decision which accompanied it may be accepted as a guiding precedent interpreting, so far as the decision extends, law requirements for cancellation of compensation policies.

The bureau stated that in connection with filing copies of cancellation notices with the bureau as agent of the insurance commissioner, attention has been called to the lack of statement on the standard notice form of the time in which cancellation shall become effective on the specified date, and that this omission might have important consequences. The bureau advised and directed the companies to specify in all future notices the time as well as date of effect, it being suggested that 12:01 a. m. standard time be selected where consistent with policy provisions. The standard cancellation notice form has been revised correspondingly.

### New York State Fund Premiums

NEW YORK, Jan. 15.—The premium income of the New York State Insurance Fund last year totaled \$14,804,975, an increase of 43 percent over that of 1934. The gain in business is largely the result of the conservatism exercised by the private compensation insurance carriers; who were naturally reluctant to accept many offered lines at manual rates to which they would be bound, whereas the state fund is permitted to increase its tariffs whenever the loss record of a risk indicates the necessity for so doing. Under these circumstances the growth in premium volume of the state fund is easily understandable.

### Occupational Disease Rate

NEW YORK, Jan. 15.—Subject to the approval of the board, L. S. Senior, general manager of the Compensation Insurance Rating Board, advises that a specific occupational disease rate may be provided for any particular risk, or the specific occupational disease rate may be modified for any particular risk where the hazard of exposure to occupational disease justifies such provision or modification. Whenever a specific occupational disease rate is authorized for any risk, the corresponding per capita charge

### WPA Investigators Assist Claimants in Pennsylvania

A force of 570 WPA investigators under direction of J. R. Torquato, secretary Workmen's Compensation Board of Pennsylvania, is busy on a project contacting all injured workers, explaining legal rights and assisting in securing what is legally due them. The project was sponsored by the Department of Labor & Industry after inquiry was said to have revealed approximately 90 percent of all compensable industrial accidents were settled under agreement many injured workers being ignorant of their legal rights. Other cases indicated coercion, it was said. The state has been divided in 13 districts, general headquarters being in Harrisburg.

"Accident reports are filed with the department of labor and industry at the rate of 400 to 450 a day," said Mr. Torquato. "This project will have a great tendency to lessen the number of contested compensation cases, which will in turn greatly relieve the now overburdened compensation referees.

"It is the secondary intent of this project to have the project heads, who will have legal training, assist referees in expediting disposition of current cases along with their other duties. It is hoped that at the expiration of the project the referees will be in a much better position to do justice to all concerned."

shall also be authorized if rating plan II is used, and the risk shall be subject to the rules of this section."

### To Consider Assigned Risks

The rating committee of the Minnesota compensation rating bureau Jan. 23 will consider certain phases of the assigned risk program. Manager J. F. Reynolds invited criticism of members, stating that undoubtedly improvement in the present assigned risk plan can be made by introducing minor changes from time to time but he is convinced no substantial change should be made. The present plan has operated satisfactorily, he said. He reported that in the period April-September, 1935, inclusive, 450 assigned risks expired and of these 160, or roughly 36 percent, were renewed.

### Can Order Rehearing

ST. PAUL, Jan. 15.—The Minnesota industrial commission has full authority to vacate a compensation award made by it and to order a rehearing, the state supreme court has ruled. After an employee had been paid \$1,380 for injuries and later given an addi-

tional \$235, he asked to have the case reopened because he was disabled for a longer period. The commission ordered the rehearing and the contractor appealed to the higher court.

### Approve Fund Membership

OKLAHOMA CITY, Jan. 15.—The Oklahoma Insurance Board has approved membership of the state insurance fund in the Oklahoma Workmen's Compensation Rating Bureau. The advantage in this is that all forms of insurance in workmen's compensation will be uniform, as well as all rates for each class.

### Alabama Increase in Effect

The 15 percent increase in compensation rates in Alabama as prescribed by the National Council on Compensation Insurance to take care of increased benefits under a new workmen's compensation law are now in effect. The increase was approved as necessary by Superintendent Julian, although coal and textile interests entered formal protests.

### Casualty Company Activities

### Will Enlarge Its Department

#### Hardware Mutual Casualty Announces Changes in Its Central-East Division at Chicago

The central-east department of the Hardware Mutual Casualty of Stevens Point, Wis., at Chicago, will become a policy writing office March 2. Owing to increased business in Illinois, Ohio, West Virginia, Indiana and Kentucky, it has been found necessary to enlarge the claim and sales department which have been operating in Chicago since 1925, by the addition of underwriting, accounting and policy writing units. This department becomes the company's seventh policy writing unit. Under the direction of Manager E. P. Kelly, the central-east department will employ approximately 50 people. It has taken larger quarters in the LaSalle-Wacker building at 221 North LaSalle street, Chicago, and will move Feb. 1.

A. H. Holte, Chicago salesman, has been appointed sales manager for Indiana, Ohio, West Virginia and Kentucky. He went with the company May 21, 1930. H. W. Luce, sales manager for Indiana, Ohio, Kentucky and West Virginia becomes sales manager for Illinois. Mr. Kelly has been a manager since 1925, after having been a salesman in Illinois, Minnesota, Wisconsin and Indiana.

### Coast Surety Given Time

Following hearing on the application for issuance of an order of liquidation

of the Coast Surety of Los Angeles by Commissioner Carpenter, the company has been given until Jan. 30 to present a plan for rehabilitation satisfactory to the commissioner. Failing in this, the corporation has agreed to permit the insurance department to take it over for liquidation without protest. A recent examination of the corporation disclosed that it was insolvent under the terms of the insurance code.

## PERSONALS

Much is being written and spoken these days about the constitution of the United States. The **New York Casualty** has sent out the constitution in full with all amendments, making a valuable document to keep on file.

The well known house organ of the Cleveland general agency of the Aetna Life and affiliated companies, gotten out by P. R. Fahey, its editor, has been known as "Wilson's Aetnagram," thus playing on the name of the late W. G. Wilson, the manager for so many years, who had a national reputation. In December the name was changed to the "Ohio Aetnagram" but hereafter it will be merely the "Aetnagram." Mr. Fahey, the very resourceful editor, will continue as heretofore. It is one of the most practical casualty and surety publications gotten out by an agency. Mr. Fahey conducts the personal column known as "Fahey's Famous Fables." This publication has been issued for 17 years every month. Mr. Fahey has been its editor during all that time, supplying not only the solid material but the poetry, the humor and the wise cracks.

F. H. O'Neill, recently appointed special agent in central New York for the Royal Indemnity and Eagle Indemnity, is a son of Frank J. O'Neill, president of both companies. Mr. O'Neill, Jr., has been connected with the organization for several years, serving in various departments and gaining a general knowledge of the different lines of coverage.

Arthur F. McCarthy, assistant Chicago manager of the Massachusetts Bonding, is in the Presbyterian hospital in his city for examination and treatment. He has been in uncertain health for some time.

A. G. Oakley was host at a dinner to about 100 employees of the New York office of the U. S. F. & G. The occasion was the 38th anniversary of Mr. Oakley's service with the company. He has been in charge of the New York office 25 years.

James J. Coffey, supervisor liability claims Royal, Eagle and Globe Indemnity, died suddenly at his home in Chicago from pneumonia with heart com-

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lications. Mr. Coffey was 40 years old and with the Globe Indemnity 16 years. His responsibilities for the other two companies were assumed three years ago. He was active in the Chicago Casualty Adjusters Association. He is survived by his wife and daughter. Burial was from his home in Bellwood, Ill.

**I. G. Weissman**, superintendent of the bonding department of the Loyalty group in Boston, has been appointed treasurer of the city of Somerville, Mass. He acted as campaign manager for Leslie E. Knox, a well known Boston insurance man, who was elected mayor at the recent elections.

**W. J. Lyons** has completed his first 25 years as manager of the Portland, Ore., office of American Surety.

**Robert L. Mannon**, Fireman's Fund Indemnity, is to be one of the surety lecturers before Golden Gate College in San Francisco, starting this month.

## Palmer Challenges Legal Procedure

(CONTINUED FROM PAGE 31)

liability is the necessity of defending himself.

This issue and several others collateral to it have been brought to the front in recent months. The Missouri Bar Association through a special committee headed by Boyle Clark of Columbia, has been on the war path to bring into the lawyer's office as much new business as possible. Clark has recently been seeking to cause lawyers in other states to become interested in the question. Insurance observers feel that the time may be near when there will be an attempt on the part of the lawyers to define what constitutes the practice of law by a casualty company. The lawyers in Missouri, among other things, are seeking to prevent casualty companies from using lay adjusters in the investigation and settlement of claims.

About a year ago some lawyers in Ohio raised the issue of the right of insurance companies to agree to defend the insured. A case was brought against the Ohio Casualty and the Association of Casualty & Surety Executives became interested.

### Blanket Bond Issue

On the same day, Mr. Palmer has called a meeting for companies writing bankers' blanket bonds. He raises the question whether casualty companies have the right under bankers' blanket bonds to cover loss to money and securities from fire, inasmuch as they are not licensed to write fire insurance. In his call for this meeting, Mr. Palmer states that had the Illinois insurance code passed the legislature, casualty companies would have been permitted to write fire and allied lines if their charters were broad enough. However, since the code was defeated, Mr. Palmer feels there is a real question whether the companies are privileged to cover this hazard.

This is a somewhat minor point. So far as can be determined the companies have not formulated a position on this score nor have they attempted to arrive at a justification of the practice on logical and strictly legal grounds. However, they say that they have been writing this coverage for years and their authority has not been questioned.

In New York there is a rule that a company insuring a person exclusively on account of liability for personal injury may not defend that assured in an action for damage to property, unless a charge is made for the legal service.

### Chicago Adjusters Meeting

Attorney Joseph A. Hinshaw of Chicago will discuss "The Illinois Motor Vehicle Act and its Application to Negligence Cases" at the meeting of Chicago Casualty Adjusters Association, Jan. 22 at the Hamilton Club, Chicago.

## Conservation, Prevention Work Is Urged by Jackson

(CONTINUED FROM PAGE 31)

"One of the greatest and very definite opportunities for stopping losses in the casualty business, in my humble opinion, is yet little recognized in proportion to its importance. I refer to combating fraud claims, similar to the attack of the fire companies on arson. Startling publicity has been given during the past year to the results of the cooperative work of the bureau companies in uncovering highly organized claim rackets in various cities of the country, culminating in the conviction of not only many underworld characters but licensed doctors and lawyers as well as employees of some of the companies. Here is an opportunity of direct attack on a definite objective. There is nothing theoretical or academic about it. A crooked claim detected and frustrated is a direct saving. An efficient anti-fraud organization is a deterrent alone sufficient to justify its cost.

### Excessive Jury Awards

"I believe also that the casualty companies would serve a public need and their own interests if more publicity were given to the relationship of excessive verdicts in damage suits to insurance costs and the importance of jury service by the many citizens who now seek to avoid it. I believe that right-minded citizens would be astounded and equally appreciative of information regarding corruption affecting conditions having to do with the adjustments of casualty losses. Reliable opinions justify the assertion that at least 10 percent of all liability claims involve some element of fraud.

"Ambulance-chasing, perjury and jury fixing must be stamped out. As long as these conditions prevail there will be no profit and rates will be so high as to handicap you competitively; therefore, the agent and broker should take a vigorous part in such activities. Informed public demand, under proper leadership, could diminish this menace greatly by insisting upon law enforcement clean-up campaigns by bar associations and an about-face in politics where they permit unsavory conditions at the courthouse."

He asked if there was any way in which operating expenses could be reduced, and discussed the question as to casualty companies pooling some of their service costs as is done by fire companies. Radical changes may require casualty companies to surrender their jealously guarded individual service to individual assured and render services of loss adjustments, inspections and payroll audits, all or in part, through cooperatively supported service bureaus, he said.

The argument that economies accruing from such methods would result in rate reductions leaving the casualty companies' relative position unchanged, he considered fallacious. Insurance buyers, he said, would support an institution which was preventing losses and not begrudge a profit. Economic as well as humane aspects of such a service would have value. He cited steam boiler insurance, which is based largely on a service of inspection and prevention.

### Not Alarmed Over Situation

Mr. Jackson noted considerable alarm in the production end regarding trend of business away from bureau stock companies to non-bureau and mutual companies. There is much exaggeration in this regard as far as automobile liability is concerned, he said, much of the business lost being due to self-insurance under present conditions of limited buying power. He predicted there would not be any wide defection of business to companies of that type. Material assistance in competition will come from improved rating procedure, flexible policy forms fitted to individual needs at corresponding price variations, and some means of recognizing in rate the assured who is careful and conscientious in accident prevention with favorable loss experience, he said.

## Largest Airplane Loss Was Insured

(CONTINUED FROM PAGE 31)

Therefore a large percentage of claims are disposed of by compromise.

The insurance was placed by Childs & Wood of Chicago, who control a considerable share of the aviation insurance of the country. It was written in the Aero Insurance Underwriters, the policy being written by the Royal Indemnity. Reinsurance, particularly excess, is a big factor in aviation insurance. The original retained liability on the Arkansas loss is divided among 20 companies and besides the reinsurance of the group down to its net retention, each company reinsures on the excess basis. On this risk the excess is understood to be graded up in several steps.

In airplane accidents the cause is usually a matter of speculation. The plane involved is of a very stable type with twin engines. A possibility is what aviation people call "unbalance." The metal propellers are subject to crystallization which frequently occurs about a foot and a half from the tip. If a tip breaks off the plane may be wrecked before the engine can be cut out. The Douglas plane involved in the accident could take off and climb to 15,000 feet with one engine.

States which limit the amount of damages recoverable for death in tort actions, with the amount of the limit, are the following: Colorado, \$5,000; Connecticut, \$10,000; District of Columbia, \$10,000; Illinois, \$10,000; Indiana, \$10,000; Kansas, \$10,000; Maine,

\$10,000; Massachusetts, \$10,000; Minnesota, \$7,500; Missouri, \$10,000; New Hampshire, \$7,000-\$10,000; New Mexico, \$7,500 (carriers); Oregon, \$10,000, except employers liability, on which amount is left to the jury; South Dakota, \$10,000; Virginia, \$10,000; West Virginia, \$10,000; Wisconsin, \$12,500-\$15,000.

### Cincinnati Adjusters Elect

Newly elected officers of the Cincinnati Casualty Adjusters Association are: president, L. E. Carney, Hartford Accident; vice-president, T. J. Collins, Jr., General Accident; secretary-treasurer, H. H. Heinemann, Aetna group; executive committeemen, J. H. Moesta, U. S. F. & G., and H. J. McFarlan, American Surety.

### Kemp's Surety Loses \$50,000

NEW YORK, Jan. 15.—John J. Kemp, 51, New York City broker who handled the life insurance of Will Rogers and many other theatrical celebrities, was sentenced to 2½ to five years in Sing Sing for larceny in connection with insurance premiums paid to him as agent for various life companies. Mr. Kemp had pleaded guilty.

An American Surety Company representative told the court that the total stolen was about \$85,000. The surety company's share of the loss amounted to approximately \$35,000.

The Central Insurance Service of Highland Park, Ill., managed by A. E. Smith, has been merged with Hill & Stone as the **Hill & Stone Central Insurance Service**. E. C. Schweitzer and G. R. Stone are the other principals.

## Fidelity and Surety Bonds

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Direct Contracts Available  
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Assets (June 30, 1935) \$926,894.21  
Capital & Surplus ..... 508,323.45

## ACCIDENT AND HEALTH FIELD

### Science Helping Claim Man

Medical Man Addresses Boston Claim Association on Detection of Death Causes

BOSTON, Jan. 15.—Remarkable recent scientific developments in photography and chemistry as applied to the work of medical examiners and coroners were brought out by Dr. W. J. Brickley, medical examiner, Suffolk county, in an address before the Boston Life & Accident Claim Association at the monthly meeting. Use of infrared rays to bring out blood spots on clothing, and spraying of gas to cause fluorescence before photographic exposure were described, and also use of ultra-violet rays in particular cases.

A spoonful of blood is sufficient to establish proof of death by carbon monoxide and a drop of blood will show the presence of gas, he said. Importance of x-ray photographs in establishing identity was brought out and a number of unusual cases in Boston criminology quoted.

Dr. Brickley related a case in which a coat with a hole was submitted to a chemist of a well-known photographic firm in New York state. The report showed the hole had been caused by a bullet that contained 3 percent of antimony, the report solving a mystery in Boston a few weeks ago.

### Aetna Agents Successful with Added Policy Feature

Agents of the Aetna Life and affiliated companies, which were the first to announce a substitute signature plan for accident insurance, are having unusual success with this type of policy. The policy is called the "capital accident" and covers the loss of members and sight, with medical reimbursement. It does not provide death benefits or weekly indemnity. Students age 16 and 17 are proving excellent prospects for both the capital and the life, limb and accident policies. Previously the minimum age for these policies was 18. Under the substitute signature plan either parent can sign the short form application for the capital accident policy for a son or daughter. A husband can do likewise for his wife and a legal guardian can sign for his or her ward. This plan is of great help to the agent in closing sales as it eliminates consulting other members of the family and many parents buy a policy without the knowledge of the child. This eliminates the necessity of making several calls or of sending applications through the mail to students away at school in order to sell a policy.

### OHIO Field Representative WANTED

The undersigned Company desires to procure the services of an EXPERIENCED FIELD REPRESENTATIVE IN OHIO to develop Automobile (full coverage) Insurance. We can only consider applicants who have the following qualifications:

- 1—Must have traveled the State of Ohio, at least during the last three years.
- 2—Must be thoroughly familiar with the production of Automobile Insurance of all kinds.
- 3—Must have acquaintanceship with best Ohio Agencies and ability to produce a satisfactory volume of prospectively profitable business thru such Agencies.
- 4—Must be between the ages of 30 and 40.

Outline in first letter historical sketch of insurance experience, giving names of insurance companies and dates employed, including present insurance employment, age, agency contacts and approximate volume of business that can be developed.

Address:

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P. O. Box 689  
Galveston Texas

### New Denver Club Is Formed

Holtzman Elected First President at Meeting Attended by 22 A. & H. Men

The Denver Accident & Health Association has been established with Arthur M. Holtzman of the Colorado Life as the first president. The charter meeting was attended by 22 accident and health men. The uniform local association constitution was adopted. An address was given by Captain Pitt, head of the Denver Safety Organization. The Denver club will cooperate with the local authorities in prevention of accidents. Meetings will be held the first Monday of each month. At the next meeting the membership committee will be appointed and the officers hope that by that time there will be at least 25 members.

Harry Fabling, Pacific Mutual, is vice-president; Rex B. West, Miller-West agency, secretary. The executive committee consists of H. W. Russell, North American Accident; F. E. Breisch, Aetna Life; N. M. Studebaker, Business Men's Assurance; J. H. Silversmith, General Accident; H. M. Simpson, Federal Life, and G. G. Gilchrist, Massachusetts Bonding.

### Dwinell Is Promoted

BOSTON, Jan. 15.—Fred E. Dwinell, Jr., field supervisor of the Massachusetts Accident, has been promoted to sales manager in the ordinary department. He has done field work for various casualty, accident and health companies and represented the Massachusetts Accident in New York, New Jersey and Pennsylvania since 1930.

### Take Over Cleveland Mutual

Superintendent R. L. Bowen of Ohio has been authorized by the court at Columbus to take over for liquidation the Cleveland Mutual Casualty, which has been writing accident and health. The company is said to be insolvent and that its continuance would work a hardship to the policyholders. It is understood that the business will be taken over by the Central Assurance. The Cleveland Mutual was formed in 1929 and H. S. Brand is president and treasurer and G. F. Day, vice-president and secretary. At the end of 1934 assets totaled \$5,298. Premiums in 1934 amounted to \$31,720.

### Detroit Club Meets

DETROIT, Jan. 15.—J. J. Temple, Detroit accident and health adjuster, discussed "The Agent's Responsibility in the Handling of Claims for the Company" before the Detroit Accident & Health Club this week.

### Philadelphia A. & H. Plans

PHILADELPHIA, Jan. 15.—W. F. White, of the Royal group, was the speaker at the January meeting of the Accident and Health Club of Philadelphia, which has completed its program of educational meetings for this season. Due to the rehabilitation of the club preventing an early start on the lectures, it was decided to incorporate them into the regular luncheon meetings this season. At the February meeting Logan Bidle of the Aetna will discuss underwriting aspects of accident insurance from the standpoint of the companies and agents. F. M. Walters,

### TWO MEN

with twenty (20) years experience in Michigan field, and now controlling nice volume, would like to contact an automobile writing company wishing to develop business in Michigan.  
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superintendent accident claim department, General Accident, will discuss policy phraseology and interpretation at the March meeting. Guy Warfield, Baltimore, is being sought for the April meeting to reveal the secrets of selling the coverage. A sales congress is being planned for the entire week preceding Accident & Health Week.

### Pittsburghers Hear Merritt

Francis L. Merritt, superintendent of agents of the Monarch Life, addressed the Accident & Health Managers Association of Pittsburgh this week. The Insurance Club of Pittsburgh abandoned its regular meeting and many of its members attended the accident and health session.

### Modern Life & Accident Report

Total assets of the Modern Life & Accident, an assessment company of Chicago, amounts to \$13,090, according to an examination report just released by the Illinois insurance department. Total liabilities are \$4,222. The examiners state that 97 percent of the assets is represented by an investment in the parcel of real estate now occupied as the home office and every effort should be extended toward liquidation of this asset and a general diversification of investments. Ralph Manno is president and chairman of the board. The company's claim payment practice is satisfactory, according to the report.

### Postpone Denver Trial

The criminal court in Denver has set forward until Feb. 25 the trial of H. W. M. Gamble, E. A. Patrucco and H. R. Seeley, former officials of the Republic Mutual of Denver.

### Fidelity-Surety Activities

### Liquor Bond Is Under Fire

Some Interests in Michigan Propose Changes to Make Standards of Trade Higher

LANSING, MICH., Jan. 15.—Dissatisfaction with the liquor bond law is appearing in some sections and public officials are urging that the next legislature alter the law so the bond would be more easily subject to forfeiture and the surety rendered liable for specific penalties for minor violations. The act contains what was considered a stringent bond section, although the amount of bond was made low. It appears to be actionable however, only in event damage to person or property results from a violation of law. As these instances are relatively few and frequently difficult to prove, there have been few losses and companies generally have had good experience.

### Proposes Direct Levy

Some law enforcement officers feel that the bond provision should be made a policing weapon to keep conditions on a high plane in establishments vending liquor or beer. Horace Mechem, Battle Creek, prosecuting attorney of Calhoun county, urged that bonds be made subject to direct levy for any violation, a result of which would be, he said, that bonds would be harder to get and places which did not maintain high standards soon would be unable to qualify for licenses. An amendment along these lines probably will be offered at the next legislative session.

### Nebraska Bonding Litigation

LINCOLN, NEB., Jan. 15.—State Treasurer Hall, who notified the bonding companies on his million dollar bond last October that he was about to cancel out, announces that premiums

## Casualty Field Changes

### Ehler Goes to Chicago as Claims Attorney in Branch

H. L. Ehler, claims attorney for the American Automobile at Los Angeles for over three years, has been transferred to Chicago as claims attorney in the branch there under Resident Vice-President E. D. Loring, succeeding E. C. Tunelius, who was claims manager. Mr. Tunelius has been ill for six months or more. Mr. Ehler is a member of the bars of Ohio, Pennsylvania and California. He has been connected with the American Automobile claim department over 12 years, for six at Philadelphia, a short time at Cleveland and three years at St. Louis.

### Joins Associated Indemnity

James H. Russell, for the past several years head of the San Francisco agency bearing his name, has been appointed assistant vice-president of the Associated Indemnity in charge of the northern California territory. He was manager of the surety department of the Ocean Accident and Columbia Casualty Coast before opening his own general agency.

### Watson Now Manager

Roger F. Watson, who has been associated with the Texas General Agency of San Antonio, Tex., has acquired an interest in the agency and will be manager of the casualty and surety department.

### Will Use New Auto Liability Policy

(CONTINUED FROM PAGE 33)

tended insurance should not apply to any employee of a garage, automobile sales agency or service station. There were many arguments as to whether this applied only while the employee was in the course of his employment or whether it applied generally. The new clause states specifically that the exclusion applies only while the employee is in the course of his employment.

in full totaling \$5,000 have been paid to Jan. 29 for the full year, but that no payment on the second year's premium will be paid until pending litigation concerning the state public monopoly bonding bill is ended. The companies, it is stated at the capitol, have agreed to wait until a final decision on the validity of the law is reached.

### Drake Case Appeal Granted

The Massachusetts Bonding has been granted permission by the Nebraska supreme court to file a motion for second rehearing in the Drake case. The company strenuously insists that it is not liable on a bill of acceptance which Drake, a lumber dealer, attached to a bonded certificate guaranteeing the performance of a contract to deliver certain lumber then in process of seasoning.

### Discusses Bond Claims

E. J. Manney of the bond department of Lloyd Caldwell Claims Corporation spoke to the San Antonio, Tex., Claim Men's Association on "The Proper Investigation of Bond Claims."

The Maryland Casualty has issued a performance bond covering the construction of the upper Des Plaines Intercepting sewer contract No. 5 on behalf of S. A. Healy Company in favor of the sanitary district of Chicago, the contract price being \$1,087,525.

# RECENT COURT DECISIONS

## CASUALTY & SURETY

### Coverage Is Held Absolute

#### Policy Given Under Responsibility Act Pays Despite Insured Held Auto Under Conditional Bill of Sale

An automobile policy placed in conformity with the financial responsibility act cannot be annulled by the insurer because the assured held his automobile under a conditional bill of sale despite the stipulation in the policy that the car was owned exclusively by the assured. This was the decision of the New Jersey chancery court in *United States Casualty vs. Timmerman, et al.*

The beneficiaries of the policy provision are the public, according to the court. A policy which is void ab initio because of a warranty or condition precedent, provides no protection to the public. The insurer's liability to the assured is distinct from its liability to an injured third person. The rights of the injured person against the insurer spring from the statute as well as from the policy. The company's remedy is an action on the policy against the assured.

Timmerman was the assured. Godlewska was the injured party. Following the accident in which Godlewska was injured, the United States Casualty gave notice to Timmerman that it canceled his policy as of the time of the issuance thereof.

Although it is not shown that the commissioner of motor vehicles required from Timmerman proof of his financial responsibility after an accident in 1931, it was competent for Timmerman to arrange with the U. S. Casualty for a policy which would meet the provisions of the statute. The policy itself contains the agreement by the U. S. Casualty making the contract absolute under the financial responsibility act.

### Finds Loss Due to Collision

#### Fidelity & Casualty Held Liable for Entire Loss Despite Occurrence of Fire

The Fidelity & Casualty has been held liable by the Connecticut supreme court of errors under a collision policy despite its claim that the loss was really one due to fire. The case was *Fogarty vs. F. & C.* The insured truck was proceeding along a highway in Massachusetts when a sheet of flame burst out in the driver's cab, preventing him from seeing where he was going and before he could stop the truck, it plunged through a fence and down a steep bank, stopping in an upset condition. The fire continued until everything combustible had been consumed. When the truck reached the bottom of the bank, an explosion occurred.

The court held that a burst of flame in the cab was the inducing cause, and no way destroyed the liability of the F. & C. for damages due to the collision and upset. Such damage as was done by the fire was the result of its igniting the gasoline in the tank and this was caused by the fall of the truck which constituted a collision and upset within the terms of the policy. The fire, consequent upon a risk insured against, was within the coverage. It was the collision and upset that was the immediate cause of the ignition of the gasoline. The rule requiring plaintiff to segregate the damage due to a particular peril insured against where the entire loss is due to two causes operating independently is not applicable.

### Standard Accident Absolved

#### Not Liable for Failing to Recognize Attachment of Creditor of Party Suing the Assured

The Standard Accident was relieved by the Montana supreme court of double liability under an automobile liability policy when it failed to recognize an attachment obtained by a creditor of the party that brought suit against the Standard Accident's assured. The case was *Coty vs. Cogswell, et al.*

The court held that the action instituted against the Standard Accident and its assured was not subject to attachment. A claim in tort, not reduced to judgment, is not a debt within the meaning of the statute in reference to garnishment. Unliquidated claim for damages in tort, such as action for personal injuries, is not subject to attachment.

Maude Adams started an action against Cogswell and the Standard Accident to recover damages of \$25,000. Mae Coty then commenced an action against Maude Adams, predicated upon a promissory note. Subsequently Cogswell compromised the action against him for \$2,850 and the action was dismissed. Mae Coty started an action against Cogswell and the Standard Accident to hold them liable for settling the Adams action after an attachment had been levied thereon.

### President of Assured Hurt

#### Insurer Not Liable in Iowa Despite Premium Was Based on His Remuneration

The Iowa supreme court has reversed judgment against the Maryland Casualty in connection with a controversy over liability on account of injury to the president of an insured concern under an employer's liability and compensation policy. The case was *Maryland Casualty vs. Dutch Mill Service Company*.

The policy was issued with a rider providing that the entire remuneration of the president, any vice-president, secretary or treasurer, shall be made

subject to a premium charge at the rate applicable to the hazard to which each such officer is exposed.

Gohlson, president of Dutch Mill, traveling on the company's business, suffered an injury in an auto accident. The Maryland Casualty refused to recognize liability.

The higher court stated that in the rider the company does not purport to assume any obligation which it had not previously assumed. The trial court called attention to the paragraph in the policy which defines the employees covered by the policy as all persons in the employ of the service company whose remuneration is included in computing the premium. The trial court held that by making the salary of executive officers subject to charge, they are thereby made employees within the meaning of the policy.

The higher court pointed out that the insurance company agrees in the policy to pay to such employees only such amount as may become due to them from the employer under the compensation act. Under that act, no sum can become due the president of a corporation employer. An agreement of the insurer to promise to pay to employees the amount covered by the compensation act, the same schedule of payments they would receive if covered by the act would have to be added. This the court cannot do.

### Service Station Owner Clause

#### Theory Unsuccessfully Involved Service-Man Given Permission to Drive as an Individual

An unusual theory was unsuccessfully invoked before the Virginia supreme court of appeals in an attempt to avoid the effect of the clause in the automobile policy that specifically states the coverage is not extended to any person or organization operating an auto repair shop, public garage, sales agency or service station, etc. The case was *Ocean Accident vs. Blackstock, Jr.*

Miss Wynn was the assured. Taylor, who drove the car at the time of the accident, operated a service station.

Miss Wynn, who was a valued customer of Taylor and a friend, asked Taylor to go to her house and take the car, which was "steaming," to the filling station and thaw it out. It was while he was doing this that the accident occurred.

The theory was advanced that Tay-

### Unearned Premium Should Be on a Pro Rata Basis

Claim for unearned premium on the part of assured against an insolvent insurer should have been figured on the pro rata basis, the New Jersey court of errors and appeals has held in reversing the decree of the lower court in *Maxson vs. Manufacturers Liability*.

Maxson's intestate was general agent for the Manufacturers Liability in Massachusetts. On June 1, 1927, receivers were appointed for the Manufacturers Liability and the state agent of that company notified Maxson's intestate of cancellation. The general agent issued new policies in other companies for his assured and took assignments of their claims for unearned premiums figured on a pro rata basis.

The court of chancery permitted recovery only for premiums figured on the short rate. It was contended that the state agent of the insurer lacked authority to cancel and that the cancellation was not by the company.

The higher court held that the cancellation was at all events due to the insolvency of the Manufacturers Liability and it is immaterial whether the state agent had authority to cancel or not. Nothing is more useless than a policy of insurance in an insolvent company. The assured should not be embarrassed by the wrong of the company.

lor was driving the car under permission granted him as an individual rather than as operator of a service station. The court pointed out the liability of the insurer is no more than it would have been had Taylor sent an employee of the station, unknown to Miss Wynn, to bring the car to the station instead of doing so himself. Whether Taylor expected to make a charge for the service or whether he considered it good business policy to perform the service because Miss Wynn was a valuable customer, does not vary the situation. There is no distinction between driving the car after it had gotten to the station to determine whether it would run properly, and driving it to the station for the purpose of thawing it out. Taylor does not come within the coverage provided by the policy.

### Assured Bound by Bylaws

An interesting case has been decided by the United States Circuit Court of Appeals, second circuit, New York City, affirming the judgment of Federal Judge Knight in a case brought by the wife of E. P. Van de Water, Rochester, N. Y., who was murdered.

The assured became a member of the United Commercial Travelers in 1923. His wife was named as beneficiary. At the time Van de Water joined the order the by-laws exempted the fraternal from liability of injuries or death inflicted intentionally by others. Under that provision the order would have been liable for Van de Water's death on May 18, 1933. However, eight months before his death its by-laws were amended to exclude liability if the member were murdered.

In the circuit court's opinion it was pointed out that mutual benefit societies, unlike insurance companies, issue insurance as an incidental feature of membership and the insured is a member of the organization which makes the rules. The court held also that the change in the by-laws was not unreasonable.

not be waived except in writing was error. With the unlawful parol evidence out, there was left only a court question which should have been determined against Vozne.

## FIRE & MARINE

### Has No Insurable Interest

#### Even Though Mortgagor Didn't Own Property When Policy Issued, Mortgagee Can Collect

Even though the mortgagor did not own a property or have an insurable interest therein at the time the policy was issued, the insurance company is liable to the mortgagee under the standard mortgage clause, according to the Oklahoma supreme court in *National Fire vs. Dallas Joint Stock Land Bank*. The mortgage clause, the court stated, creates an independent contract for separate protection and benefit of the mortgagee. The latter may maintain a suit in his own name to recover for a loss covered by the policy. Such cause of action cannot be defeated by any act or neglect of the owner or mortgagor and the policy is valid as to the mortgagee even though it is void ab initio as to the mortgagor, because the mortgagor did not

own the property or have an insurable interest therein at the time the policy was issued.

### Loan Paid Up Before Fire But Recovery Not Allowed

The fact that an encumbrance on insured household furniture was paid off some months after the policy was issued and before the fire occurred does not alter the effect of the policy provision that unless otherwise provided by agreement, the insurance shall be void if the subject of insurance is personal property and is encumbered by a chattel mortgage. This was the decision of the New Jersey court of errors and appeals in *Vozne vs. Springfield F. & M.* At the time the policy was issued, the property was encumbered by an unpaid chattel mortgage open of record. The higher court held that the admission of parol evidence to vary the stipulation that the conditions of insurance should

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